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GOVERNMENT
Publications

QUEBEC IN THE FEDERAL SYSTEM

HOW CANADIANS, AND QUEBECKERS IN PARTICULAR, PERCEIVE QUEBEC WITHIN THE PRESENT FEDERAL SYSTEM.

INTRODUCTION

"When there is a threat to abandon the federal system under which we have lived together for 110 years, I think we must ask ourselves one very searching question right at the outset: Has this system been such a disaster for Quebec as some claim, or does it truly serve the interests of the Quebecers as a whole, and French-speaking Canadians in general?"

(Pierre DesMarais II)

To help you find an answer to this fundamental question, you will find in this kit the opinions of businessmen and politicians, of a political scientist and an editorial writer, stating firmly what they think the Canadian federal system means for Quebecers; what cultural and social aspirations it should meet; what it has meant to them quantitatively and in terms of quality of life; what tangible and intangible effects it has had on them; what it has meant to them historically and what real challenges they feel should be met now.

SELECTED DOCUMENTS

- ✓1. DesMarais II, Pierre, **Why Choose Canada?**, speech given to the Hamilton Canadian Club, 4 May 1977.
- ✓2. Robertson, Gordon, **A Challenge to the Spirit of Canadians**, notes for an address to the Convocation, Dalhousie University, 12 May 1977.
- ✓3. Lalonde, Marc, **Quebec and Canada: A Union Worth Preserving**, address given to the Saint-Jean-Baptiste Society of Quebec, Quebec City, 29 October 1977.
- ✓4. Castonguay, Claude, **Change - or Lose Quebec**, Globe and Mail, 29 January 1977.
- ✓5. Lamontagne, Maurice, **Federalism or an Association of Independent States**, address given at the University of Montreal under the auspices of Canada Studies Foundation, 6 April 1977.
- ✓6. Bégin, Monique, **The Demographic Situation in Quebec: Myths and Realities**, notes for an address to the Montreal Chamber of Commerce, Montreal, Quebec, 22 November 1977.

- ✓7. Lemelin, Roger, **The Wandering Quebecer**, address given in Toronto, 25 March 1977.
- ✓8. MacIntosh, Robert M., **The Economics of Association**, remarks made to the Financial Analysts Federation, Montreal, 3 May 1977.

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- *1. Wagdenberg, Ronald H., Walter C. Soderlund, Ralph C. Nelson, **Who Supported Canadian Confederation: An Analysis of the Decision and the Socio-political Backgrounds of Those Who Made It**, paper prepared for the Canadian Political Science Association, European Consortium for Political Research International Workshop on Comparative Federalism, Queen's University, 23-29 August 1977.
2. Bernard, Jean-Paul and Richard F. Desrosiers, "Le Québec et le fédéralisme, 1950-1970: chronique des débats idéologiques et des événements politiques", in **Fédéralisme et Nations**, les Presses de l'Université du Québec, 1971, pages 87-127.
3. Brady, Alexander, "Quebec and Canadian Federalism", in **The Courts and The Canadian Constitution**, Lederman, W. R., ed., The Carleton Library Series, no. 16, McClelland and Stewart Limited, 1964.
4. Trudeau, Pierre E., **Le fédéralisme et la société canadienne française**, éditions Hurtubise, volume 10, Montreal, 1967.
5. Harvey, Jean-Charles, **Pourquoi je suis anti-séparatiste**, les éditions de l'Homme, Montreal, 1962.
6. Rochette, Louis, **Le rêve séparatiste**, les Presses libres, Montreal, 1969.

* Available upon request from the Canadian Unity Information Office.

The documents contained in this kit are taken from various sources and do not necessarily reflect the Government of Canada's point of view

On peut obtenir la version française de ce texte en s'adressant au Centre d'information sur l'unité canadienne



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Please note the following additions to Documentation
Kit #503 - Quebec in the Federal System:

SELECTED DOCUMENTS

Add:

- * 9. Lalonde, Gilles, In Defence of Federalism - The
View from Quebec, (translated by Jo LaPierre),
McClelland and Stewart Ltd., Toronto, 1978,
pages 103-109.


SUGGESTED READINGS

Add:

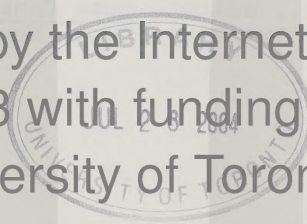
- 7. Simeon, R., editor, Must Canada Fail?, McGill-
Queen's University Press, Montreal and London, 1977.

* ATTACHED

July 1978



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Why choose Canada?

Speech given by

Pierre Des Marais II

President of Pierre Des Marais Inc.
and
Conseil du Patronat du Québec

to the

Hamilton Canadian Club

on May 4, 1977



Foreword

Before you read my "position statement" on this subject of such vital interest to all Canadians, I would like to explain exactly what I had in mind when I delivered these views before French and English speaking audiences.

As President of the Conseil du Patronat du Québec, I was invited to address the Rotary Club in Québec City and then, on the following day, the Hamilton Canadian Club. Since the speeches were to be given only 24 hours apart, in two different languages and in two quite dissimilar parts of the country, I wanted to make sure that both audiences received exactly the same message.

I sincerely believe that each of us has a duty to take part in this debate with the greatest integrity we can summon. We must do so based on our own personal experiences and feelings, avoiding in every way possible the pitfalls of passion and aggressive or selfish reactions.

What are my credentials for that role? Born and educated in Montreal, my roots are set deeply in Québec, where I have always lived. Yet my horizons, I hope, transcend any provincial borders.

My various positions of responsibility tend to involve me deeply in this significant debate taking place throughout our country. I meet and exchange ideas with Canadians of diverse viewpoints in my activities as President of one of Canada's largest printing firms, as Mayor of the City of Outremont, Vice-Chairman of the Montreal Urban Community Executive Committee, as a Director of various Canadian corporations, as a member of the Executive Committee of the Université de Montréal and of various hospital boards.

The experience I have gained in listening to a wide range of opinions from people in every walk of life has made me think deeply about federalism from every angle, pro and con.

I have chosen federalism, but certainly not federalism regardless of the cost. How do you feel about it? If you would like to express your views after you read what follows, please do not hesitate to write and let me know.

Pierre DesMarais II

Why choose Canada?

Just a month ago, at the beginning of April, many Canadian newspapers published the results of a public opinion poll on political developments in Québec. One of the questions asked dealt with the relative popularity of Pierre Elliott-Trudeau and René Lévesque. The answers revealed that both government leaders enjoyed about equally high popularity and confidence ratings among the people of Québec.

This seeming paradox of dual political allegiance may surprise some outside observers, but those wise in the ways of Québec politics have been pointing out and explaining this apparent contradiction for many years. In Québec, we are all deeply attached to our French language, our culture and our own unique institutions – but at the same time, we cherish our links with this great country of Canada as a whole. We feel that we can be both Quebecers and Canadians. But, to keep these two sets of values somehow balanced, we freely choose politicians of quite opposite views to represent us in Québec City and at Ottawa.

Outsiders may think it strange, but we feel that these opposing views offer us the best possible counter-balance between the powers of the two levels of government.

This isn't a decision the voters take consciously, or by any concerted action. It is done more by intuition, rather, arising from an age-old, deeply rooted public wisdom.

Perhaps the greatest paradox right now is that this dual approach to voting should exist, at a time when the party now in power in Québec intends to call on the people to shatter the present balance and set up a new and independent state.

Life goes on as though the people of Québec regarded the present administration as just a government like all the others – or, as if they had not yet chosen sides on the fundamental options

they will be asked to vote upon in the referendum. This may all seem strange, but it can be explained.

Our deep and ancient roots in Canadian soil have given us what I like to call a Québec heart and a Canadian mind. We have always been able to balance our feelings and our thoughts to accommodate this political duality within ourselves, despite the misunderstandings and disputes which rose from time to time. I think this is why we were so drawn to those who also were so deeply marked by this dual allegiance. I think in particular of Henri Bourassa, who could be so fiercely patriotic about Québec and his people, yet so much a nationalist about the Canada which he regarded as his own.

So it is little wonder that French speaking Quebecers today are torn between their feelings and their minds, so hesitant about the alternatives facing them today. The choice they will have to make forces them to forget all their traditional ways of thinking about their political weights and balances. The winds have changed. The landmarks are unfamiliar. The channel markers have suddenly been moved, in midstream.

It is not for me to say whether what is happening today is good or bad. All I know is that we must all approach the Great Canadian Debate as calmly as possible, without any of the heated partisanship which will only sow discord, and make it even more difficult for those who must take the decision. Hurt in the heart can often overrule reason in the mind.

It is in this calm spirit that I want to tell you what my choice is. I am not a historian, a sociologist or an expert in political science. I have no high-sounding degree to lend weight to what I say. But as a businessman and mayor of one of the municipalities on the Island of Montréal, I have to rub shoulders with life's realities every day. I have gained some experience, as much as anyone else, I suppose. My views on the matter are probably worth about as much as anyone's are. But in a democracy, especially with a debate getting underway on the very future of our country, isn't it important that every citizen – and not only the

politicians – can express and defend his own point of view?

I think that is why you asked me here today, and I thank you warmly for the opportunity and your friendly invitation.

When there is a threat to abandon the federal system under which we have lived together for 110 years, I think we must ask ourselves one very searching question right at the outset: Has this system been such a disaster for Québec as some claim, or does it truly serve the interests of the Québécois as a whole, and French speaking Canadians in general?

Before answering that question, however, one fact must be admitted: The system has served the interests of the Anglophones better than those of the Francophones. Due to their greater number and economic wealth, English speaking Canadians have played dominant roles in every sector. Especially the federal administration and the business world. In the nine provinces with English speaking majorities, French speaking Canadians were refused the same rights as Anglophones traditionally enjoyed in Québec. In short, they bent the rules of the game in their own favour. Still, we in Québec were in part responsible for letting things get so out of balance; with our tendency to look inwards and our lack of interest in the federal scene, we let the chance slip away over the years.

I think there is general agreement among us that there have been inequities in the past, and these very shortcomings in the federal system help to explain what is happening in Québec today. On one side we have the federalist forces wishing to take the present system in hand, to improve the way it works and make it more equitable for all. Ranged against them are the advocates of independence, who say that the system just won't work any longer and want to replace it with a new one.

Yet the first question I must ask myself is: Has the federal system worked to our benefit in Québec, in spite of some injustices which it has brought with it? For an answer, let us look first

at the economic question – a major reason for Confederation in the first place. Forget about the famous national accounts so much in the news lately, as both sides try to prove just how much money the federal government takes out of and returns to Québec. We might want to look at those figures from time to time, but their usefulness in the debate is marginal at best. No, the thing of cardinal importance is the general state of the economy and the well-being of the people as a whole.

The most reliable information we have on that comes from international data showing us that our standard of living here in Canada is among the highest in the world. That is one undeniable fact, easily proved by visiting other countries.

Looked at this way, Confederation has quite clearly been profitable, for Québec and all of Canada. Neither I nor anyone can say whether Québec's situation would, or would not, have been even better if our hands had been on the levers of economic power. But I am convinced that the standard of living of all Canadians would not be as high today without Confederation. That is, if the different provinces had not decided to get together back in 1867 to pool their industries and resources for the common good. No one disputes that, even today. In fact, the Parti Québécois itself, in its programme and its public statements, constantly talks about economic association with the rest of Canada.

Next, we come to the cultural question, source of the most heated arguments in the current debate.

Under the British North America Act, the provinces were given wide-ranging powers in the cultural area, with the precise purpose of allowing Québec's French speaking people to preserve their culture. The wishes of the French Canadians were written into the intent of the Constitution.

The powers were there, so the use which Québec has made of them over the years since then cannot be entered on any balance sheet. It is not the federal system as such which is responsible if Québec did not use its powers to the utmost advantage. It is not the fault of Confederation that Québec for many years lagged behind in

such a vital area as education. The years that have been called the "*grande noirceur*" – the truly dark ages of our province – cannot be blamed on anyone but ourselves.

So we must then look at those areas strictly under federal jurisdiction which can influence our cultural life. There, once again, there are credits and debits but, I think, more of the former.

Looking at the dark side first, it must be admitted that the federal field for too many years was the exclusive preserve of Anglophones. English had to be spoken in the Army, in External Affairs and in most other federal ministries and services. Only grudgingly were the French given meagre tastes of certain rights, no matter how elementary. Even these were only tokens, as in the rather painful case of the bilingual cheques. This is just one example of quite a list of snubs and indignities inflicted on people because they were French speaking.

On the credit side of the ledger, Ottawa created a national broadcasting system, giving both its French and English sectors substantial budgets to work with. The French radio and TV networks of Radio-Canada, set up originally to serve Québec, have gradually been expanded across the country into every area where French is spoken. And none of this was any token or symbolic gesture. Reaching into every French speaking home across this land, Radio-Canada makes a positive and even decisive contribution to the survival and growth of our French culture. And I use this word "culture" in its broadest sense. In every possible field, from television drama and comedy to band and vocal music, sports, news and analysis, public affairs programmes and documentaries, to offerings of the purest cultural nature – Radio-Canada has faithfully mirrored the French identity in its various facets, enriching the culture in the process. Not only has Radio-Canada done a great deal to preserve and improve the French language – it has given us a public forum of importance where our voices could be heard, our views known. This federal organization, Radio-Canada, has done its job so well that it can safely be said that it has played an invaluable and even vital role in our society.

In this connection, it is worth noting that the French-language network of the CBC produces more hours of original programming annually than the state television network in France. I might also mention here that, in proportion to our population, we publish more French-language books in Québec than they do in France.

Ottawa's efforts in the cultural field include other such notable examples as the Canada Council for the Arts which, in 1976, awarded 304 bursaries to Québec authors and artists, and the National Film Board, which earned no fewer than 15 international prizes last year. More could be added, but the goal is not a list of accomplishments but whether the present political system has helped our cultural growth, or not.

You could draw up a balance sheet that might tip the scales one way or the other, but results are what count. Let us consider what we have become, as French speaking Canadians.

Disregard the pessimism voiced by some, the cries of alarm over the "endangered" French culture. In my own view, our language is spoken more and is in far less danger of disappearing than it has ever been.

We are asserting our presence in the land more vigorously and vitally than ever before. Our collective awareness of ourselves has never been stronger. Even better, we now have enough confidence in ourselves to tackle and study the most basic questions from conflicting points of view. In fact, if ours is a "sick" society, as someone said recently, I think we must be about the healthiest sick people around! Moreover, whether others wish to agree or not, we have not only survived within Confederation, but grown stronger. We have been the winners economically and culturally, in spite of any doubts we may have had or problems we have faced.

That certainly would not be the case today if the Québec spokesmen had not supported the federal option during preliminary talks leading to Confederation more than a century ago. Some might say today that they had no choice. But they definitely had a choice – between the federal

form of government and the unitary state advocated by Sir John A. Macdonald. Without their view of the future and their deeply held convictions, Confederation as we know it might never have come about. An interesting thought because, had there not been the two levels of government in this country, there would be no National Assembly and no Parti Québécois in power there today! But let us now leave the past, which I feel has not been the disaster some would like us to believe. Instead, let us ask ourselves just how could independence as proposed by the Parti Québécois improve our present lot in any way? Also, what could we do if independent that the present system keeps us from doing now?

In the first place, it is very hard to foresee what would happen to the economy in an independent Québec. The Parti Québécois is evidently aware of that, so it keeps talking about an economic association with what remains of Canada. But how much would remain, and for how long? Could some provinces resist the temptation to join the United States? Certainly, an economic association would be desirable – even essential. Just as it was when the provinces joined in Confederation, and as it is today in those countries which have banded together in the European Common Market.

The fly in the ointment, however, is that no one today can say exactly what this association would be. Would the other Canadian provinces agree to it? If so, to what extent? How many areas would this association cover? What would be the terms, on each side? How long would it take to negotiate such an agreement? So many questions – to which there is no answer – and which only add more hazards to any such plan. If the answers were the least bit unfavourable, they could easily spell out the price which must be paid for independence: a lower standard of living.

French speaking people in Québec might be prepared to take this risk, or might not. But they must be well warned about it beforehand. When we think back to the very passionate response to controls on wages and salaries, it's only reasonable to think that people would like to be consulted when there is a chance they might have to take a cut in pay! This eventuality must be

weighed as exactly and honestly as possible, and made part of the debate. Because one thing seems quite clear to me: Independence would weaken our economic situation or, at the very best, would not improve it.

Yet, there are other reasons than economics upon which the desire for independence is based. We all know those reasons: Protection and integrity of the French language; freedom for the French speaking people of Québec to achieve their own destiny.

All of us agree on the importance of preserving and strengthening our French language. It is the lifeblood of our culture, the key to our very identity. If our language disappears, so do we. The question that must be answered, then, is whether independence is the best, and the only way to safeguard our language. An independent Québec would still be in the midst of a North American sea of predominantly English speaking people. The legislative tools in its hands would be little different from those it now has under the Constitution. This gives Québec virtually all the powers it needs to protect its language. Now, another thought: If Québec should become independent, how long could our compatriots in Ontario and New Brunswick preserve their language? The situation so created by independence would be even more difficult and threatening to their culture.

Summing it all up, we would have no better opportunities in an independent Québec to preserve and improve our language than we have right now, when 64 percent of the French-speaking population are able to work exclusively in French. Conditions would be almost identical, and the means available to do the job would be the same. The struggle would be just as difficult – going it alone – and would demand the same energy and determination, perhaps more.

We French speaking Quebecers would, of course, be "our own masters". At last, we could decide for ourselves what is best for us, and what is not. No one else could tell us what to do, what not to do, how or when to do it. Our destiny would belong to us alone!

That is a brief scenario of what its supporters see in the idea of independence. It's a dream which many of our fellow citizens cherish and want to see come true. We are quick to realize that this is quite a normal ambition, especially for a national group so long frustrated and now come to maturity. It is an option which several nations have taken during the course of history, even if they were driven to it by circumstances far more pressing than those facing us in Québec today. So it is an entirely valid and respectable option, and must be regarded as such.

Yet, is complete independence really possible? Suppose, for a moment, that an independent Québec decided it wanted a common agreement with Canada to share the same currency. Responsibility for controlling this currency would be entrusted to a separate body set up by the two partners, and on which they would be jointly represented. There would be advantages for both sides in doing business with each other.

But doesn't this mean that we in Québec would lose the freedom to control the currency as we would like? Up to a certain point, definitely, because we would not be the only ones involved. Each side would have to delegate its monetary jurisdiction to a control organization which, in turn, was jointly run by the two parties involved. Each would have to share part of its sovereignty with the other. Each would lose a little of its freedom of action, but each would profit in some way.

Next, suppose that a similar joint arrangement was decided upon for postal services or any other field of common interest such as: port facilities, navigational lights and markers; weights and measures; patents and explorations; rights; interest rates and money transactions. Each and every time, we would have to delegate our jurisdiction and our authority to a jointly run body which would act in the common interest.

None of this in itself would be a surrender or abdication of powers but, rather, a pooling of resources and a joining of forces for better efficiency. This is exactly the same principle which union workers have put into practice for many years. The fact that they are joined in a federation

doesn't mean that they are deprived of freedom, or lose their individuality. Each has the autonomy to maintain job mobility and personal freedom – but by joining their individual strengths they have the solidarity to act for the common good. Each profits, because the whole is greater than the sum of its parts.

Exactly this same idea of solidarity and joining of forces is the underlying principle of political federalism as it now exists throughout the country. This means, in essence, that the suggestion a people must be absolute masters of all matters concerning them is not a sacred principle. In every area of common interest, they can just as easily decide to share their sovereignty with another – for the very good reason that both can profit from such an arrangement.

That idea, in itself, is just as valid and respectable as the idea of independence. Certainly, it is more difficult to apply because it demands a willingness to work together, to join forces. But it is more dependable, for exactly that reason. The one vital condition, needless to say, is that the aspirations of each party be protected, and that each partner respects the rules of the game.

The first rule is that the sovereign powers should be shared according to the wishes of the provinces. It is up to the provinces, who together make up the country, to decide what part of their sovereignty they will share with the central authority. There has been talk for many years about a revision of our Constitution and a re-sharing of powers and jurisdictions. That is all up to the provinces, first and foremost. If they want to join forces and work closely to make the whole country vigorous and dynamic – it's up to them to do so. If they want to weaken the whole by increasing the powers of the respective parts – again they must decide. There can be no national will unless each and every part of the country shows it has the will. The unity of the country is at stake. It's as simple as that.

The second rule is that we as Francophones must be fairly and properly represented at every level of the federal administration. The business done there concerns us directly, as Canadians. It is

unthinkable that we should be full-fledged citizens of this country, and yet not be deeply involved in all sectors under the federal authority. This obviously assumes that we want to play a part, but it is also important that English speaking people want us to do so. There again, is the important factor of common goodwill. Good progress has undeniably been made in this regard over the past few years. Francophones now head a number of important ministries in the federal government, as well as other prestige bodies and organizations under the central authority. But there are still too few Francophones in Ottawa: It is essential that they have representation, at all levels, in proportion to their numerical strength in the country as a whole.

The third rule involves language rights of both Francophone and Anglophone minorities in the different provinces of Canada. This is another area where both sides must express their goodwill clearly and frankly. In a pluralist society such as ours, there will always be a minority of one or the other of the founding groups – and it will most often be Francophone! Neither side could regard it as a fair and just Confederation pact if the language rights of these minorities were not formally guaranteed beforehand.

This reminds me of what I said at the beginning: That the rules of the Confederation game were bent and changed in the years since 1867, and that we have endured many vexations in the wake of that. The result today is that we risk looking at the future through the eyes of the past, allowing old resentments to cloud the view of the future. This could be extremely harmful if it prevents us from viewing federalism in its true light, and drives us to look on Independence as our only safe anchorage. We would then be stripped of the reason to judge all the facts that must rule our choice.

When I say that federalism appears to me a more reliable option than independence, I certainly do not mean the more or less distorted federal system we have known much too long. Distorted yes, but to be truthful, it has been far from fatal. Nor am I thinking of the status quo, although the

system has been remarkably improved over the past few years. I am thinking, rather, of a renewed and rejuvenated federalism where the desires of each are truly fulfilled, where the forces are efficiently joined for the common good, and where the hopes and dreams of everyone are recognized and encouraged. It is not my intention here to go into the constitutional revisions needed to bring all that true. But I am convinced that our present institutions are flexible enough to adapt to our needs and hopes.

One unique feature of federalism is that it can adapt to circumstances: The system in the United States is different from that in Switzerland, which in turn is unlike ours. So it follows that our system could also take a different form. Yet the values of federalism would remain: The grouping of mutual strengths, with each of the original elements so brought together, respecting and helping each other. And if I prefer federalism over independence, it is not only because it makes it possible to join forces for mutual benefit, but because it also unites people. The world is so wracked by quarrels and divisions, that I passionately feel the need to believe in the values of harmony and unity. I refuse to admit that in such a vast and youthful country as Canada, the English and the French cannot find it in their hearts to understand and respect one another, to clasp hands and work and grow together in a common cause.

History willed that we should be united on the same land, Anglophone and Francophone alike, and that we should be partners on that land. Unequal partners undoubtedly, but partners nevertheless who have together survived many crises. Like other countries which have been divided by questions of race, religion or language, we could also repeat unhappy history and take a step backwards – or at least sideways. Or, we could learn from history and write a bright new page by moving triumphantly ahead.

Banish the fears and prejudices. Forget the frustrations and the bitterness. All together, in Québec and throughout all of Canada, we can – and shall – choose the road to human brotherhood.

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A challenge to the spirit of Canadians

Notes for an address to the Convocation,
Dalhousie University, May 12, 1977

by
Gordon Robertson,
Secretary to the Cabinet
for Federal-Provincial Relations

It has long been the custom of our clergy, to search for an appropriate text on which to base the Sunday sermon designed to produce a measure of moral uplift for their flock. I do not plan to deliver a sermon but I do want to talk about a serious subject: our country, which is today in grave peril. I want also to talk about the only thing that I think can, in the long term, save the Canada that we know and love. I believe that that one thing is a degree of greatness and generosity of spirit on the part of all Canadians that we have not shown in the past and are not showing now. My belief is that unless we show it, nothing else we do will be sufficient to avoid, sooner or later, the departure of Quebec and the shattering of our dream of Canada "from sea-to sea". And since, I suppose, this proposition finds me moving into the area of man's attitude toward man, it is not inappropriate for me too to start with a text.

In 1863, the United States of America was locked in a civil war waged between a part of the country that wanted to leave the union and the rest of the country which was determined that the union should be preserved intact. In his Gettysburg address Abraham Lincoln referred to the origins of the United States as "a new nation conceived in liberty and dedicated to the proposition that all men are created equal". He went on to say that they were then "engaged in a great civil war testing whether that nation, or any nation so conceived and so dedicated, can long endure". He called for a new dedication to the purposes underlying the union so that "this nation under God shall have a new birth of freedom" and that the high ideals on which it was founded would not "perish from the earth".

Unlike the United States at its origins, we, in Canada, had no Thomas Jefferson in 1867 to provide an eloquent expression of ideals for the Confederation that was then created. We have suffered ever since from that lack. But our union was produced, nonetheless, out of a situation of crisis and danger in which both the "Canada" of that day - the Ontario and

Quebec of today - and the Atlantic colonies saw a need for union in order to achieve purposes greater than they could achieve in their separate weakness and isolation. But both the Atlantic colonies and the part of Canada that had, before 1841, been "Quebec" or "Lower Canada" were determined that the union would have to be one in which they were not submerged and in which their identity would not be lost. So far as the French of Canada were concerned, the essential thing was that they should remain French. There were nearly one hundred thousand French-speaking Canadians outside Quebec at the time of Confederation - in the Maritime colonies, in Ontario and in the west. Provisions in the Manitoba Act of 1870 about language and denominational education, as well as passages in the Confederation debates, bear witness to the concept some Canadian leaders of the day had of a country in which the two linguistic communities, English and French, would exist together - outside as well as inside Quebec. As George Etienne Cartier put it in 1865, speaking for the French Canadian element supporting Confederation: "We could not do away with the distinctions of race. We could not legislate for the disappearance of the French Canadians from American soil...".

If the United States was dedicated to the proposition that "all men are created equal", many French Canadians believe that we had, among our purposes, the proposition, probably little understood, that two linguistic communities could live together in one country with each respecting the rights, the dignity and the full existence of the other. A major part of our problem today is that, while many French Canadians understood the underlying proposition in that sense and lived up to it in Quebec, where they had the majority, few English-speaking Canadians so understood it and we did not live up to it where we had the majority. Our history for one hundred years in the provinces other than Quebec and in the national scene belied the proposition of equal co-existence - or even of co-existence - of two cultural groups.

At this time of national crisis, we must try to see our history with the eyes of many French Canadians or we cannot hope to understand the bitterness that we see in Quebec today. Nor can we hope to produce the changes that will reduce that bitterness and allow this union of Canada to "have a new birth" and to endure. New or modified constitutions, more delegation of powers, more flexibility in economic policy - all of these are mechanics: important mechanics, but futile if we do not

get at our root problems. Those root problems are not problems of constitution, of legislative powers or even of economics. They are problems of human dignity and of failures - some past, but some present - in spiritual generosity. French Canadians found for years that we, in "English Canada", did not have the generosity to treat them as an equal, self-respecting community sharing all parts of our country and all parts of our national life. They found that we did not even want to treat them with dignity and respect within the confines of Quebec.

How do the relevant parts of our history look to French Canadians? When I went to Quebec in 1967 to spend about six months there, I found that a number of things were very important to Quebecers that I knew little about - and had attached small importance to. An early series of events after Confederation amounted to a betrayal in Manitoba and on the Prairies of the expectation that the west would be as open to the French as to the English culture. The hanging of Louis Riel in 1885 for having tried to protect the interests, cruelly neglected by Ottawa, of the French-speaking Metis of the west was the first devastating blow. The bitterness that caused can hardly be imagined. It was still sharp when Manitoba,

in 1890, repudiated constitutional guarantees and made English the sole language of the legislature, the law and the courts. The use of French in education dwindled as few French-speaking came to what had become a rather hostile place. In the Northwest Territories, as they were left after Manitoba was established in 1870, the population had been almost evenly divided between those who spoke French and English. Legislation in 1877 made official provision for the two languages in the legislature, the law and the courts. The balance of numbers slowly shifted - against the French. In 1891, provisions for the French language were eliminated in the Territories. In 1905, when Alberta and Saskatchewan were created, even the influence of Sir Wilfrid Laurier could not overcome the determination of the English-speaking to provide no place for French in the new provinces. French explorers and French Canadian voyageurs had opened the west; their Metis descendants and French-Canadian settlers had established farms, villages, schools and communities in Manitoba, Saskatchewan and Alberta that had been French from their beginnings. Yet where, in Manitoba, the French Canadians had guarantees, they were repudiated: where they had no guarantees they got none. The dream of a French-Canadian sharing in the development of the new west died - but the bitterness and the sense of betrayal did not.

For a time, hope continued among French Canadians that, if the west was lost, at least Ontario would respect the rights to French education that had been acquired by the many thousands of French-Canadians living there, although the rights were not constitutionally protected as they had been in Manitoba. But those rights were brought to an end by a regulation most of us never heard of - Regulation 17, passed in 1913. Even in Ottawa, the capital of the country, education in French was curtailed. The Ontario of that day set its face against anything approaching equal treatment.

And here in the Maritimes, an area so intimately associated with the French fact from the early years of development of this continent, what was the prevailing attitude towards the large minority of French speakers for the hundred years after Confederation? It is only in recent times that Acadians have really begun to have access to high-school, technical and university education in French. Even cities with 40 percent French-speaking population refused, until very recently, to recognize the French language and culture.

I have, in outline, given a history of the two communities in Canada as many French-Canadians see it. They regard it as a history of all too frequent

repudiation and disrespect for the French-speaking community. And yet, through it all, Quebec respected the rights of the English-speaking community there. Circumstances were different of course: the English-speaking minority was proportionately larger and much more influential. But in Quebec they really did measure up to the concept of two communities. From this great difference of attitude between Quebec and the other provinces grew a sense, by French-Canadians, of being wronged - of being humiliated, insulted and trampled upon wherever the English-speaking were in the majority. A sense too that only in the province of Quebec, a province with a French-speaking majority, could the French community find the respect and the chance to be a community that many had hoped all of Canada would provide. And so they turned inward to their own province of Quebec for the security of their culture, their language and their community.

It is this background, together with the economic domination of Quebec by the English-speaking commercial element, that provided the disillusion and resentment from which separatism has grown. It is from this too that the rejection of Canada even by many Quebecers who are not separatists also developed -

developed to the point where many will no longer call themselves "French Canadians" - they are "Québécois": people of Quebec. The loyalty to Canada shrivelled with the sense that Canada felt no loyalty to them, to their language or to their community. We are paying the price today for a hundred years of failure to do what a strong majority could so easily do - to treat with generosity and respect a weaker and less numerous community that shares our country.

We have, in English-speaking Canada, made some real progress in the last ten years or so. Ontario has greatly improved the provision of education in French and has developed governmental services in that language. New Brunswick, to its great credit, has established the two languages as official and equal in status. At the federal level, the first direct measure was the establishment in 1963 of the Royal Commission on Bilingualism and Biculturalism. We took an important step with the Official Languages Act in 1968. But our experience since these actions demonstrates that laws, regulations or language provisions alone - however well intentioned - are no adequate remedy for our problem. English-speaking Canada has not understood

the reasons for the new languages policy approved by Parliament and pursued by the government. Much of English-speaking Canada has reacted to it with exasperation and even anger. We - the English-speaking - have not been able to understand what an insult it is to every French Canadian to prohibit the use of French for traffic control at Montreal airports - airports in Quebec, the heart of French Canada. It is alleged to be unsafe to use French as well as English - but French Canadians know that both French and English have been used for years in the great airports of Paris with apparent safety. They know too that most countries of the world use two - or more than two - languages in air control. They do not believe that the support in English-speaking Canada for English-only in air control was based on safety alone. They see our backing of the strikes of controllers and pilots in 1976 as proof that "English-Canada" has not changed: that it is as ungenerous and as unwilling to respect the French community as ever.

The measures we have taken so far on language policy have not worked adequately because the basic attitude of English-speaking Canada has not really changed. It would be as easy as it would be tragic if the action now being taken in Quebec were to prevent the

more positive attitude in English-speaking Canada that we so desperately need. "Bill No. 1" - the new Quebec language law - is the product, in part, of the disrespect to which I have referred and of the resentment it produced. One can hope for some change before the Bill is finally passed into law but the main hope must be in a new confidence in Quebec - a confidence that restrictive legislation is not needed to protect French there because the environment of Canada has become one in which French is accepted and can flourish. Bill No. 1 must not become an obstacle to change in the attitudes of English-speaking Canada. It is rather the measure of our need to change if we want to preserve our country. Are we prepared to do and to accept the things that are necessary to give security and equality to the French-speaking community wherever it exists throughout Canada? Those are the questions before the country today. And time is running out.

To come through our present crisis with some hope of achieving or of preserving the things that are of greatest importance to both sides, our two communities have to do some clearer thinking than they have done so far. I am convinced that there is today on both sides much wishful thinking and much dangerous illusion.

I have already touched on what I think are some of the illusions on the English-speaking side - the illusion that changes of constitution or mechanics will do the trick. One version is that we can preserve the unity of Canada by "decentralization" of powers from Ottawa to the provinces or by a "special status" for Quebec. The decentralization myth is pervasive but it seems to me there is really very little more that can be constitutionally decentralized if we want to retain a manageable country with a manageable economy. We are already one of the most decentralized countries on earth. As for "special status" for Quebec, the question is what may be possible without undermining the essentials of our federal system and its basic equality for the provinces. It is doubtful if we can go very far in this direction without weakening Confederation so seriously as to lead ultimately to the separation that such measures would be designed to prevent. This does not mean that we cannot and should not revise our constitution. We can and we should. We can - if we are willing - effect changes that will provide more effective protection for the French language and culture in Quebec and ensure their flourishing development. We can give greater security to our minority groups everywhere, with equality of treatment and opportunity. We can also provide change and renewal to the operation of our federation generally: a "third option" to separation or the

status quo. But that "third option" must include the increased understanding and the change of attitude to which I have referred. Constitutional change alone, however substantial and significant, will not be enough.

There is a second illusion on the English-side: that we can save our unity by having a French Quebec, where no English is spoken, on the one hand and nine "English" provinces, where no French is spoken, on the other. This proposition has a seductive charm. We would get rid of that wretched problem of two languages and we would live in unilingual bliss ever after. But how would we communicate? What would we do about the minorities now in nearly all our provinces? How would we govern the country? Or would we have two governments? Sooner or later we would indeed have two governments - and two countries. A union of two sharply-drawn unilingual blocs, in each of which the rights of the other community had been obliterated, could not last. It too would be the road to separation.

A third illusion of many English-speaking people is that Quebec will never be prepared to separate because the economic cost will be too great. I find this extremely dubious. It amounts to the proposition that

national unity can be based on economic advantage alone - no matter what offence the situation within that union may involve to human dignity or to cultural values. I do not believe it. Unity has to be based on some sense of common purpose other than achieving a bigger G.N.P. or a fatter pocket-book. There has to be a desire by people on both sides to live together, with mutual respect, in order to achieve things that each community values. If that sense does not exist, and if the Canada of the future seems as cold and as hostile to their language and culture as the Canada of the past has seemed, the French Canadians of Quebec will, sooner or later, prefer to be poorer with self-respect than richer without it. They are a proud people and they are not going to be bought.

I have spoken of illusions on the English-speaking side. I think the most common illusion on the French-speaking side is extremely dangerous. The illusion there is that, if separation occurs - or "independence", as they prefer to call it - it can be accompanied or followed by some kind of "economic association" between the new, independent Quebec and the fractured, divided Canada it would leave behind. I am convinced that this is a dream. The danger is

that those who hold to it or are beguiled by it could walk, still in false security, over the precipice of separation and wake up to reality when it is too late. I would ask those who advance this thesis whether they have considered the emotional attachment most English-speaking Canadians really hold, in the depths of their hearts, for this great, shambling, awkward country? Have they ever thought how those emotions will be aroused by every issue that has to be wrangled about if "independence" is to occur - emotions of love and of pride born of the heroic accomplishment of creating this great, free country from rock and cold and challenge? You do not outrage such emotions and then expect to do a friendly deal. The questions to be faced will be terribly difficult. To suggest just a few - is it all of Quebec that is to leave Confederation? The northern part of the province was not a part of Quebec, either in the French regime or at any other time before Confederation. It was disputed territory between England and France and later it became federal territory. It was added to Quebec only in 1912 by Act of the Parliament of Canada. In most parts of it there are still very few French-speaking Canadians - most are Indian and Inuit. English is the common language. Suppose a majority of the people of such regions vote to stay in Canada. Do

they have a right to self-determination? Or is Canada to force them to go against their will? Will not Quebec be offended to the depths of its being if Quebec is divided? But will not Canada be equally outraged if "Canadians", and a territory that was added to Quebec as a part of Canada, are forced to leave the union?

There are other troublesome questions that some people try to gloss over as if they were easy. Not one will be easy. How much of the national debt of Canada would Quebec assume? There would be billions of dollars at issue. Who would own the tracks of the CNR in Quebec, joining "Canada West" to "Canada East"? They will be a life-line for Canada and especially for the Maritime provinces. What rights would "Canada" get to the St. Lawrence Seaway and to passage through it? There are a thousand other questions. By the time they had all been thrashed out, with controversy and argument in press and public, ill-will and recrimination would inevitably be general on both sides. I suspect they would be so great that we would be fortunate to come through the process of separation - or "independence", for it is the same thing - with any shred of friendship or of willingness to cooperate in anything. In such an atmosphere, who really thinks we can coolly and rationally work out something as complex as an economic association? But even if calm logic were to prevail, it is by no means

clear that there would be any adequate advantage to "Canada" in having an economic association with an independent Quebec. It would probably seem better to Canada to retain its freedom to "go it alone" and to pursue its own best interests with its own broad economy than to be harnessed to a partner whose economic interests might be very different.

In short, unless I am quite wrong, the "independence" option proposed for Quebec does not really include "economic association" with Canada at all. It is independence pure and simple. We would be lucky if it were independence without a festering hostility between Quebec and Canada that would make difficult even normal cooperation between independent states.

The question the people of Quebec must consider is whether they really need to incur all the costs and all the risks of independence in order to achieve their essential objectives. We have a highly and mutually beneficial economic association now. It can probably be improved. Quebec has very considerable constitutional powers now to protect its language and its culture and to ensure their strength and growth. Those powers can be used more effectively and they can be

strengthened. Is there any certainty that, in a renewed Confederation, the French-speaking community cannot have a flourishing life of the spirit - all that French culture holds most dear - in Quebec, with added strength to and from the French-speaking communities in other provinces? Unless there is great certainty that these objectives of French Canada cannot be secured, while still preserving our present economic union, it would seem to be the height of folly to incur all the risks - and all the enormous losses - that separation would almost certainly involve.

It seems to me that the best interests of both our communities, English-speaking and French-speaking, coincide in seeking a renewal of our present association within a modified Confederation. We both have so much to lose in a fracturing of this country into resentful, embittered fragments that we both must be prepared to make the adjustments of attitude and the concessions of mechanisms that will avoid it happening.

We should, I think, also try to have more perspective about our problems. If we are seriously concerned about civilization and peace in the world, we have an obligation to see that the destruction of this

Canada of two languages and cultures does not happen. There are some 2,500 languages and dialects on this earth. There are less than 150 states in which to accommodate them. Most of the countries of Africa and Asia are trying desperately to preserve unity and civilized behaviour with linguistic and cultural divisions far worse than ours. Our challenge is not ours alone: it is the challenge of a diverse humanity crowded onto a small planet. Our two peoples in Canada are among the most fortunate in the world - in wealth, education, cultural enrichment and traditions of personal freedom. French philosophical humanism and British Parliamentary democracy are among the great accomplishments of civilized man. We are the inheritors of both traditions in a way that is unique in the world. If we fail - after 110 years of free self-government as one country - who can hope to succeed in solving this basic problem of the human condition? Both our communities must find the greatness of spirit that will accommodate our two languages and our two cultures in mutual generosity and full equality so that Canada can and will endure.



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Q72**" QUEBEC AND CANADA: A UNION WORTH PRESERVING "**

Address by the
HONOURABLE MARC LALONDE
Minister of State for
Federal-Provincial Relations

To the Société Saint-Jean Baptiste of Québec
Québec City, October 29, 1977

Ladies and Gentlemen:

I have been invited to speak today before the Saint-Jean-Baptiste Society of Quebec, an association which has devoted itself to the advancement of the French Canadian society. There are many ways to promote the interests of the Francophone community in this corner of North America. Yours has been to develop the special character of our French Canadian culture, specifically at the local and provincial levels. This is an essential task which must always be supported, especially on this predominantly English continent.

Collectivities, however, are not isolated entities. Today, we are witnessing all kinds of associations and contacts between peoples and international organizations. It has become quite rare for individual groups or cultures to remain closed societies. They must attain a state of solidarity with other groups or societies. We could say that this is one of the major problems of our time: how can institutions, which are often outdated, adapt to the political, economic and military situations which extend beyond the boundaries of nations? The European Common Market is meeting this challenge in its own way. Canada, however, paved the way in this area more than one hundred years ago.

The work of the Saint-Jean-Baptiste Society in promoting a particular culture is an essential task. It is just as essential for the survival, development and vitality of a culture to participate actively with other cultural groups in the larger economic and political framework within which the various groups have common interests.

Each group has a valuable contribution to make. In Canada, the French culture is a primary element of the Canadian identity, enabling it to have a distinct personality from that of the neighbouring American giant. In this sense, we could say that if the French factor were not present in this country, we would have to create it. Therefore, it should always be the concern and responsibility of the central government, which officially recognized the two languages, to truly make use of both languages within the federal institutions. It is also imperative that all Canadians become aware of the extent to which the developing of our two main cultures is an integral part of the future of our country and our national identity.

Different collectivities almost always join together more by reason of objective necessity than strong sympathy. We should not however carry too far the cynical statement of a nineteenth century author who said that in politics as in love, there are no peace treaties but only truces (Lévis, *Maximes et Réflexions*, 1808).

Sometimes, the tensions that occur between the two main Canadian cultures seem to justify the pessimism expressed by that author. In all fairness, however, we should add that the habit of living together and the entanglement of common interests have resulted in compromises and understanding between different groups, without which no nation could survive. The objective facts combined with common material interests are really what produce this subjective understanding between different groups.

Factors leading to federation in 1867

What kind of objective facts led to the creation of the Canadian federation in 1867 and continue today, more than one hundred years later, to weigh in favour of the union of the various regions of this country and its two main founding cultures? These facts are geographic just as much as economic, political and cultural. To ignore these facts in the name of emotional slogans would be to doom to failure an essential common enterprise which can only be founded on good sense, compromise and reason.

It would be false to claim that the federal regime in 1867 was a means of assimilating French Canadians as some articles and statements by the Parti Québécois have alleged. The 1867 federation brought real progress to French Canadians compared to the Union Act of 1841. As opposed to the previous regimes, that of 1867 granted independence to Quebec in the vital sectors of education, civil law and local institutions. Quebec at the time was actually the reason why the 1867 regime was not a legislative union (unitary regime) as advocated by Macdonald, Tupper and Lord Monck. Rather, it was a federal regime as advocated by Georges-Etienne Cartier.

Canon Groulx who was a leader in the nationalist history of Quebec, nevertheless stated in this regard that the only advisable and acceptable solution for Lower Canada was to join a federation of provinces in British North America and to include the other English provinces in the new Alliance – therefore, in 1867, Lower Canada which had become Quebec recovered its individuality.

It might be useful here to review the factors which led to the union of 1867 if only to recognize the similarity of conditions which today favour the maintenance of a strong Canadian solidarity.

Military security

As I mentioned earlier, it is rare for different societies to freely give up part of their sovereignty to join larger economic and political entities. The desire to gain strength from within in order to resist some military threat from restless neighbours has been an important factor in the creation of several federations throughout the world.

Canada is no exception. The American War of Secession which caused some one million deaths among our neighbours had a considerable impact on this side of the border. Various incidents between England and the United States during the American Civil War made us fear reprisals in the British colonies of Canada. In 1864, the year of the Quebec conference which was to give rise to the Canadian federation, Macdonald learned that the Irish Fenians were training in New Jersey with the intention of crossing the Canadian border in mid-January 1865. Some American attacks took place on Canadian territory in 1866 in the Fort Erie and Niagara River area as well as in New Brunswick.

The reverberations of the American Civil War felt in this country were of great concern to Canadians from 1860 to 1864. This concern grew after 1864 as a result of rumours of invasion, especially since the United States had considerably increased its military strength during the war. Another source of concern was the fact that the British government had just abandoned its imperial control over the finances of the colonies which were thus placed in the position of having to provide for their own defence. The Canadian provinces needed some kind of common protection and this was one of the arguments which overcame most of the Maritime opposition to the proposed union.

Westward expansion

This was not the only area in which the presence of strong American neighbours had a unifying effect in Canada, which demonstrates again that different groups unite less for purely idealistic reasons than for real concrete reasons. The thrust of the United States towards the West gave it an increasingly strong presence in that area. However, Canadian presence in the West was weak and poorly-maintained at that time. Canadians were fully aware that unless they established permanent ties with the fertile colony of Red River, they ran the risk that the Americans would fill the gap in Western Canada.

This link with Western Canada became possible with the introduction of the railroad at the beginning of the industrial revolution. However, railroads were expensive. Only the pooling of resources through the union of the Canadian provinces would permit expansion towards the West before the Americans.

Unification of the domestic market

A third factor which led to the union of the provinces, in the absence of an alternative solution, was the need for access to commercial markets beyond the boundaries of a single province. Between 1846 and 1849, England abandoned its tariff privilege policy which had favoured the entry of colonial products in the British market. Canadians wasted no time in looking for a substitute market in the United States. This led to the reciprocity agreement whereby a certain number of unfinished products could be freely traded between the two countries. The reciprocity agreement ended in effect with the War of Secession in 1860.

The provinces had no alternative but to create a true union among themselves in order to guard against the instability of exterior markets. They were already committed to such a union. The St. Lawrence waterway practically made it necessary for Upper and Lower Canada to unite in 1841. Furthermore, in 1850, the provinces adopted laws which established free interprovincial trade for a number of natural farm and forestry products. However, processed goods remained subject to tariff restrictions and this created obstacles to trade between the provinces. Without a customs union, in 1867, there was only partial free trade between the Eastern provinces which formed a market of nearly four million people.

The importance of creating a common market became evident as the industrial revolution began to show its characteristics: division of work, complementarity of resources and needs, expansion of trade. In order to achieve this, it was necessary for the provinces to enjoy an expanded domestic market free of trade restrictions. This close economic union in turn required a political union.

Regional and ethnic diversities

We now come to another fundamental element of the Canadian situation, which was of prime importance as early as 1867: Canadian disparities which are of two types, regional and cultural (or ethnic). Despite the efforts of certain politicians who favoured the unitary system in 1867, this system was never adopted for two reasons: 1 — The Maritimes insisted on retaining their regional identity; 2 — French-speaking Canadians insisted on retaining their cultural identity. The federal system was essential to reconcile the pressing double need for unity and diversity which was felt over one hundred years ago and which is felt even more strongly today.

The circumstances which led to the creation of the Canadian federation are still present in our country today. We have briefly outlined some of these circumstances but let us summarize them again as they are an integral part of our national history: 1 — The necessity to maintain a solid east-west union in this country in order to avoid progressive absorption by the United States today as well as yesterday; 2 — The necessity to maintain even more in the post-industrial than in the pre-industrial era, a unified economic market of some twenty-three million people while most of our trading partners operated within markets exceeding a hundred million people; 3 — This close economic union between the Eastern and Western provinces was entered into voluntarily and can only be maintained by a close political union; 4 — Unlike the unitary system which would consider only unity without regard for regional and ethnic disparities, this political union cannot be too inflexible neither can the Union be too loose such as the Confederation of States or the Sovereignty-Association of the Parti Québécois which considers only diversity without regard for the basic requirements of unity.

How federalism met the challenges facing the country

Let us now examine how the system we have adopted has met the great challenge it had to face, how it has created solidarity among Canadians from all regions of the country and between our two main cultural groups, a solidarity that could not be dissolved without great damage.

National Territory

First, the national territory rapidly became a more concrete reality after 1867. Limited mostly to the Eastern provinces until then, it rapidly expanded towards the West. The railroad made it possible for a vast nation with a low population density to expand westward. At the same time, railroad construction and the supply of finished products to the West, protected by Canadian tariffs, permitted industrialization especially in the two central provinces. Manufactured goods from Quebec and Ontario were sent West by rail while Western wheat arrived the same way in Eastern ports from where it was shipped to Europe.

The colonization of the West, while creating new areas of economic activity, gave rise to the creation of the three Prairie Provinces and British Columbia became directly connected with the rest of the country. We thus gained access to three oceans: the *Atlantic Ocean* by which the European colonizers arrived – we have always maintained economic relations with the European continent and are strengthening these relations with the signing of an agreement with the European Common Market; the *Pacific Ocean* which opens the way to the Orient and has made it possible for Japan to become our second largest trading partner after our neighbours to the south; finally, the *Arctic Ocean* which gives us access to the vast but largely untapped natural resources of the Great North.

By pushing the development of the national territory westward, the federal union of 1867 made Canada the second largest country in the world after the Soviet Union. There is more to this than a vague and ostentatious title of glory.

The size of a country is a significant factor in the diversity and wealth of its resources. As a state-continent, we have windows on all corners of the world. This is a valuable asset at a time when intercontinental trade relations are expanding and a vital asset for Canada which has one of the highest export rates per capita; our exports represent one quarter of our national production.

To divide the country would be to split up a vast territory which communicates with the rest of the world by its extremities. The separation of Quebec, for example, which would make this province an independent State and therefore an independent national territory, would not only cut this province off from the Maritimes and the Western provinces, but it would isolate the Maritimes from the provinces west of Quebec. Therefore, without strong east-west ties, in the event of separation, we would run the risk that first the Maritimes and then the rest of the country would form north-south bonds which would eventually lead to the end of the country.

To split up this vast territory would therefore show flagrant irresponsibility. The national territory provides all Canadians wherever they may live the cumulative advantages of avenues to all corners of the world and the complementarity of national resources from one region to another.

Natural resources

Our national resources are a good example of this aspect of the Canadian situation and the Great North which not so long ago was compared to a desert is also a good example of the diversity of resources in a vast territory. This part of the country located above the 60th parallel contains 40% of the natural resources of Canada and we have just begun to exploit them. Indeed, the Great North contains:

The North

- what is probably the largest reserve of drinkable water in the world; Canada contains one third of the drinkable water of the world and 50% of this water is found north of the 60th parallel. Drinkable water has become a precious commodity in our era of intense urbanization. Some even consider it to be the most important resource of the future. The time may come when pipelines will carry drinkable water from the Great North to the large industrial centers of North America.
- The Arctic and Northwest Territories contain half of the hydraulic power of Canada, a potential not yet developed.
- The potential oil reserves in the Great North are estimated at some 45 billion barrels, that is approximately one tenth of the oil in the Middle East.
- Natural gas reserves in Canada are estimated at 724 trillion cubic feet, 260 trillion of which are in the Arctic Islands and 90 in the Yukon and Northwest Territories.
- The iron ore deposits on Baffin Island are among the richest in the world.
- The Yukon contains large deposits of iron ore, asbestos, copper/zinc and lead.

The Yukon and Northwest Territories located above the 60th parallel make up 35% of the Canadian territory. Their area is larger than those of Quebec, Ontario, Manitoba and Saskatchewan combined. The resources of the Great North are exceeded only by two or three other areas in the world. These resources belong to all Canadians including those of Quebec. The wealth of Canadians in all the provinces is inseparable from this vast northern potential which assures this country a promising future, barring some inconsiderate action.

Energy resources

It is well known, however, that our natural resources are not limited to the Great North. As far as energy is concerned, Canada is the only industrialized western country able to be self-sufficient in this area. Alberta's oil reserves are of course depleting rapidly and those of the Great North remain to be discovered.

However, according to a study by the Alberta Energy Resources Conservation Board in 1973, the tar sands of Alberta contain a total of 1,000 billion barrels (that is more than double the total Middle East reserves). Out of this amount, 250 billion barrels are recoverable using known technology.

We should add that, in addition to the natural gas in the Arctic, Canada has the largest coal reserves in the world after the United States. The transformation of coal into liquified gas offers new opportunities that are costly but likely to be developed in the future. Finally, our country contains one third of the world's known reserves of uranium and thorium which are valuable minerals for nuclear energy.

This energy potential makes Canada a privileged country in which to live. All regions of the country are obviously not equally endowed in this regard, but as parts of Canada, they can count on the energy available in the other regions of the country.

As for Quebec, it ranks first in Canada in the production of hydro-electric power. It supplies 45% of its energy needs by electricity. Oil makes up 51% and natural gas 4%. The province has no oil resources, hardly any natural gas or coal and its uranium potential is quite limited. Quebec is therefore in the same position as many of the other provinces. It continues to rely on energy resources from the rest of Canada or from other countries. The drawbacks or disadvantages vary from one kind of dependence to another.

Dependence on foreign countries is a matter of concern both in terms of cost and availability of supplies. The Middle East war between the Arab countries and Israel in 1973 led to the restriction of oil exports and a spectacular rise in prices which quadrupled within one year.

Canada was able to avoid or at least lessen the impact thanks to western oil from Alberta. The other Canadian provinces which consume oil were assured of oil supplies and a gradual price increase. During that critical year in 1973, the central government fixed the domestic price at \$6.50 per barrel compared to the international price of \$10.50 per barrel.

Quebec which continued to obtain its oil supplies from the Middle East thus received a subsidy of \$4.00 per barrel. Quebec was also able to compensate for the reduction in exports by the OPEC countries by obtaining Alberta oil through various means of transport. The oil crisis caused the Sarnia-Montreal pipeline to be extended and Alberta oil now meets half of Quebec's oil requirements.

As a result of the fixed domestic oil price, Quebec received \$2 billion of the \$3.4 billion in subsidies paid by the federal government between 1974 and 1976. The subsidies allowed Quebec and the Maritimes to pay the same price for oil as the provinces which obtained their oil from Alberta. These subsidies maintained oil prices at the consumer level at 13 to 18 cents per gallon below international prices between 1974 and 1976.

During the past few years, the oil consuming provinces have enjoyed the advantages of being connected to the western oil fields within our national territory. These advantages will be even more attractive in the future with the more intensive development of the tar sands. World oil reserves are being depleted, international prices can only go up and the oil producing area of the Middle East remains one of the most explosive in the world. Without national resources, the rationing of exports by oil producing countries or a complete embargo would have serious consequences around the world, especially in a cold country like ours where oil is essential for the heating of our homes.

The argument by the Parti Québécois that Ottawa has favoured Ontario over Quebec during the past fifteen years by dividing the Canadian market between the East and the West is wrong. The fact is that the Borden line forced Ontario to obtain its oil supplies from Alberta in order to maintain production in the western oil fields. Prior to 1973, Ontario paid higher oil prices than Quebec which obtained its oil from Venezuela and the Middle

East. Now that international oil import prices are higher than the Canadian prices, Quebec and the Maritimes pay the same domestic price for their imports.

It is clear that as a non-oil producing province, Quebec has the undeniable advantage of belonging to one of the rare industrialized countries able to be self-sufficient in energy. This position is envied by countries around the world.

Minerals and Agriculture

As far as minerals are concerned, Canada ranks third in the world after the United States and the Soviet Union. However, these two superpowers with their large populations consume almost all of their mineral production. Canada, on the other hand, consumes only a fraction of its mineral production.

The same situation occurs in large-scale farming. Canada provides 20% of the world's exports in wheat and 7% in secondary cereals. The world population is constantly growing and areas reserved for agriculture are becoming limited. Food products are therefore destined to become a precious commodity in the near future.

Canada is probably the country with the broadest range of exportable natural resources. Most of our large trading partners are looking for resources which are available from us. We are therefore in a very strong position for developing trade relations with other countries. The negotiations carried out by the federal government benefit all parts of Canada. Each province, taken individually, does not possess all the natural resources sought by other countries, but each province can benefit from the collective national resources to negotiate favourable outlets for the goods it manufactures for export. This is an excellent example of the advantages of Canadian solidarity. To divide the country would be to deprive us of this reservoir of common resources available to us all.

Exchanges of industrial products

The complementarity of natural resources is obviously an advantage for all regions of the country, all the provinces, in our trade relations with other countries, but it is just as important for our domestic economy. As I mentioned earlier, the industrial revolution brought about the establishment of a single market across the country and thus promoted regional specialization of production.

Thus, the two central provinces, Quebec and Ontario, supply 78% of all the manufactured goods shipped between the provinces. On the other hand, the rest of Canada has strived to take full advantage of its natural and agricultural resources.

This specialization of production necessary for the concentration of enterprises and the reduction of production costs referred to as "economies of scale", is essential for industrial development and for the competitive position of our products in Canada and abroad. A good part of Canadian industrial development took place under the shelter of the federal tariff policy. The allegation by the Parti Québécois and others that the Canadian tariff policy was adopted to favour western agricultural production is wrong.

The truth is exactly the opposite. The tariff policy was adopted in Canada to protect first and newborn industry and then the less competitive industrial sectors which employed a large portion of the labour force.

In this respect, Quebec is far from being treated unfavourably. The textile, clothing and shoe industries which are concentrated in Quebec are the most protected industries of the country. Tariffs exceeding 20% apply to 61% of the Quebec industrial sector. The other provinces thus pay a higher price for these Quebec goods than for the goods imported from abroad. The present situation is that, despite the high tariffs in the sectors I just mentioned, goods from foreign countries with low labour rates are succeeding in various degrees in penetrating the Canadian market. Nevertheless, 25% of the Quebec labour force is employed in heavily protected industrial sectors and Quebec remains the chief beneficiary of the tariff measures imposed in Canada. It is evident that, should Quebec separate, it could not force the rest of Canada to pay more for many of its products than foreign prices.

With respect to the disposal of industrial production, Quebec has close ties with the rest of Canada. It exports 30% of its industrial production to the rest of the country. Consequently, 37% of employment in the Quebec manu-

facturing industry is related to shipment of goods to the other provinces. The largest industries in Quebec export much of their production to the rest of Canada. The twenty largest manufacturing groups in Quebec export 90% of their production to the rest of the country.

We can see how Quebec and the rest of Canada are interdependent; the rest of Canada exports 14% of its industrial production to Quebec. However, Quebec remains dependent on the rest of Canada with respect to the labour force employed in exports which, in the case of exports to Ontario, is three times higher than the labour force employed in Ontario for exports to Quebec. The separation of Quebec would affect the whole country but Quebec would stand to lose the most.

Redistribution of revenue

The national solidarity which is demonstrated in the area of natural resources and interprovincial trade is also present at the social level. Social security and equalization payments are the chief tools of transfer payments between individuals and the provinces.

The stated purpose of equalization payments is to maintain a minimum of equality across the country between the rich and the less fortunate provinces. The central government is the instrument of such transfers. It makes payments from the federal taxes collected in each province to those provinces whose income falls below the national average. In 1976, Quebec received \$1.1 billion out of a total of \$2.2 billion in equalization payments made by Ottawa to the provinces.

These transfer payments also apply in the area of social security. We could even say that this is a double transfer: it takes place from rich to less fortunate people and from rich to less privileged areas. Indeed, the more underprivileged an area is, the less taxes it pays and the more social security and unemployment benefits it receives. Since the average income in Quebec is 10% below the national average, it receives at least an equivalent share of equalization and social security payments.

This aspect of transfer payments is easier to understand than all those accounting disputes about the benefits of federalism to the provinces. From the strict accounting point of view, which does not consider the general situation such as belonging to a large rather than small market, Ontario would have more grounds for complaint.

The document tabled at the time of the 1975-1976 Ontario budget indicates that Ontario, British Columbia and Alberta which recorded a surplus contributed almost two-thirds of the national revenue but received only half of the federal expenditures. According to the same data, Quebec contributed 21% of the total federal revenue and received 25% of Ottawa's total expenditures. The same document estimates that, in 16 years, from 1961 to 1976, Ontario contributed to the federal Treasury \$26 billion more than it received from Ottawa. This \$26 billion was redistributed among the other regions of the country.

If any province is treated unfavourably in this area, it is certainly not Quebec. However, even if we assume that Quebec is treated unfavourably by the distribution of federal expenditures and revenues, it would not be a reason for breaking up the country. Ontario, before any other province, would have grounds for separation from Canada. Considering the advantages derived by the industrialized provinces from the Canadian market, it would be pure short-sightedness to opt for separation.

Even if we were to admit that a province is truly treated unfairly in the distribution of expenditures and revenues of the central government, the thing to do would be to produce conclusive figures and demand a change in this distribution rather than to resort blindly to extreme solutions. There are recent examples of the feasibility of such changes in the distribution of federal expenditures among the provinces.

There was no regional development policy in the country prior to the 1960's. Since then, a policy of this type has made it possible to transfer funds to those provinces with the most noticeable regional disparities. In 1965, the Canada Assistance Plan was amended to provide more assistance to the poorest provinces. In the past fifteen years, the equalization system was improved several times in favour of the less privileged provinces. Finally, more recently, in 1977, the plan for financing health programs introduced a new financing formula based on tax points

equalized with the national average and on per capita payments. Since the tax points in Quebec fall below the national average, Quebec receives a greater share of the federal revenues.

These are only a few of the many examples which demonstrate the feasibility of modifying federal policies affecting the provinces and changing the distribution of income across the country. In this respect, the radical surgery advocated by the Parti Québécois is uncalled for for two reasons: first, it is wrong when it states that Quebec is the loser in dealings with the central government; secondly, the proposed measures are disproportionate to the solutions required — instead of modifying existing policies, assuming that they are inadequate, the P.Q. proposes to split up the country. All things considered, it proposes to kill a fly with a cannon.

On the basis of the P.Q.'s allegations, Ontario, British Columbia and Alberta would be the ones justified to leave the Canadian federation on the grounds that they contribute more to the federal Treasury than they get out of it. This would mean that, because of their prosperity, these provinces would have to put an end to the advantageous relationships they maintain with the rest of the country.

Essential role of the federal government

It is obvious that the various forms of transfer payments between provinces would not be possible without a central government. This minimum equalization of income is indispensable for Canadian unity. Canadian unity could not survive wide disparities between regions. In order to be able to carry out this essential role of redistributing national wealth, the central government must necessarily have adequate revenue. Our federation is presently one of the most decentralized in the world. I have even heard Mr. Parizeau argue that Canadian federalism is too decentralized. If the reduction in federal revenues were pushed too far, the federal government would no longer be in a position to make a desirable redistribution of the national wealth. Even more importantly, it would no longer be able to use fiscal policy as a chief means of maintaining economic stability.

To claim status quo with respect to our system is to have a poor knowledge of how it really operates. Centralization and decentralization are vital aspects of a federal system. Since 1867, we have sometimes stressed one aspect and sometimes the other in Canada. The variations in federal and provincial expenditures are the best indicators of periods of centralization and decentralization in our country.

In 1870, direct federal expenditures in goods and services amounted to 52% of government expenditures. The provinces gained power in the 1930's: in 1934, direct federal expenditures dropped to 31.6% compared to 68.4% for the provinces and municipalities. The central government regained power at the beginning of the war: it became responsible for 83.5% of government expenditures. In 1950, federal expenditures dropped to 48% of the total. In 1975, as demonstrated by Senator Maurice Lamontagne, direct federal expenditures were only 25% of total government expenditures (excluding transfer payments to individuals and the provinces). We have thus reached a peak period of decentralization in our history.

Our system is so flexible that, without amending the Constitution, we have been able to adapt to circumstances which have shaken the world during the past one hundred years: the industrial revolution, economic crises, world wars. It is evident that, for us, the federal system is the most flexible system found to date which enables us to cope with an ever-changing world. It would be a pessimistic overstatement to say that the federal system no longer meets the needs of Canadians.

Sovereignty-association: organized inefficiency

The independence proposed by the Parti Québécois, by abolishing the central government, would create a void which would then make it impossible to redistribute revenues between regions, at least between Quebec and the rest of Canada. Quebec could be the biggest loser in this event. There can be no mistake about it, the sovereignty-association discussed by the Parti Québécois is nothing but a hoax, a smoke screen to mask independence.

The other provinces have not been fooled; all of the provincial premiers have stated firmly that they reject the P.Q.'s sovereignty-association. Would they agree to an economic union without political union in a country where interdependency is already so strong? A workable economic union supposes a common currency. It also requires a common fiscal and tariff policy. How could such a close economic union survive without political union? The European Common Market which marked time these past few years because it lacked a political union is now

moving towards political integration especially with the election in 1978 of the European Parliament by direct universal franchise. This is further evidence of the necessity of complementarity between politics and economics.

To confuse things further, Premier Lévesque recently connected the sovereignty-association with the transformation of Canada into a so-called "true" confederation. . . but only once Quebec has formally obtained independence. This proposition is no more plausible than the first. A common political experience has been to state that the nature of a confederation of states is either to become dissolved or to become a federation. The United States from 1781 to 1787 and Switzerland from 1813 to 1848 were confederations of states prior to becoming federations. We have yet to see a federation regress to a confederation of states. The disintegration of a federation is a serious matter for a nation, which leaves no room for vague associations in which one of the partners believes that it can retain all the advantages of the union without assuming any of the responsibilities.

We must therefore examine more closely the P.Q.'s promise of a sovereignty-association. The tactic here is an obvious trick. The Parti Québécois knows that the majority of the population in Quebec does not want separatism. Therefore, it proposes a solution which would lead to separation indirectly. Quebecers should not allow themselves to be deceived.

The federal system is not perfect. We would have to be blind not to notice that injustices have been committed against certain regions or groups, starting with the French Canadian community. However, in case we believe that we have been the only victims of injustices, just think for a moment about what has happened to the Indians of our country since its origin. Again, the solution is not to split up the country but to fight and correct these injustices.

At a more theoretical level, we should also recognize that the federal system can sometimes cause the duplication of functions. Conflicts between the two levels of government are inevitable and compromises must be made continually.

Importance of maintaining the Canadian identity

But this is true of any complex body. Any living body that has attained the slightest degree of development has different functions; each organ has a specific task to perform. This division of functions into various sectors of activity and their integration into other sectors is necessary to meet the various needs of societies which are becoming increasingly more complex.

Federalism is mostly a phenomenon of the XIXth and XXth centuries. It occurred approximately at the same time as the industrial revolution and democracy. The first required vast markets and the specialization of functions and the second required the division of power among states in order to allow individual characteristics to survive.

DeTocqueville understood well the merit of the system when he said that small nations are often unhappy not because they are small but because they are weak, and large nations prosper not because they are large but because they are strong. Strength is often a primary condition for the happiness and even the existence of nations. DeTocqueville drew the striking conclusion that the federal system was invented to consolidate the various advantages of the greatness and smallness of nations.

Has federalism been the downfall of French Canadians as some have alleged? Let professor W.H. Riker, an eminent American author on the subject of federalism answer this question. According to him, the chief beneficiary in Canada since the beginning has been the French Canadian minority whose early dissidence provided the opportunity to adopt federalism and still justifies its maintenance today.

The best evidence that federalism has not destroyed the French culture in this country is the fact that this culture is as vibrant as ever to the extent that English Canada is sometimes envious of this cultural abundance. Would a dying culture have been able to force on the rest of the country a reevaluation of the French fact in its favour as was done a few years ago? The proclamation of the official languages is an example of this. Another is the progress made in federal institutions where our two main language groups are now more adequately represented.

During the past twenty years, the vitality of the French culture has been much in evidence in this country in the areas of poetry, fiction, theatre, songwriting and cinema. To what extent federal agencies such as the CBC, the National Film Board and the Canada Council have been of primary importance in this remarkable cultural activity remains to be known. However these federal organizations have been largely responsible for the popularity of our intellectuals and artists. Nothing prevented the Quebec government from also promoting the French language and culture in the province. I repeat, this culture is an essential ingredient of our national identity.

Canadian diversity is the very foundation of our national identity. We have been lucky enough to have inherited two of the greater universal cultures. To be deprived of any one of them would be a great loss to us. Diversity does not only exist at the national level, but also in the provinces. The presence of French minorities is also felt in the provinces which border Quebec, especially in New Brunswick and Ontario. On the other hand, Quebec has a greater English-speaking population than the Maritime provinces combined. Such fundamental facts about our national existence could not be denied by a simple stroke of the pen or legislative act.

Allow me to point out here that the French Canadian politicians who have chosen to work at the federal level have an essential role to play within our system. I cannot accept allegations that they have "sold" themselves to the English Canadian majority. Quebec cannot withdraw within itself. Because of its strong interdependence with the rest of Canada, French-speaking Canadians must be adequately represented at the federal level and they must participate sincerely and actively in the life of the whole nation. A chilly withdrawal would not be a sign of health but a sign of anemia.

Quebec has nothing to gain by fearing everything outside of it, especially its closest neighbours with which it shares a common experience. Yet, we have the feeling that for some time now attempts have been made within the Parti Québécois to intimidate political opponents. Any remark against separatism is seen as "intellectual terrorism" or "economic terrorism". There is talk of plots by businessmen, of organized resistance to Bill 101, of Fort Chimo Inuits on the federal payroll, and much more.

We must realize that the P.Q. is exploiting fear to the point that it is spreading paranoia in Quebec: anything foreign to us is a threat to our survival.

Individual freedom has always been persecuted throughout the world in the name of "sacred" values such as class, race or culture by exploiting collective fear. We should beware of following the same slippery road.

In this respect, federalism is the bulwark of our individual liberties. With the division of power between two levels of government, it protects us against the restriction or loss of liberties. The old saying that you shouldn't put all your eggs in one basket still applies and is true in Quebec more than ever.

All the elements of a society are linked together. Harmonious coexistence between our two main cultures is necessary in this country in order to maintain territorial, economic and political unity as well as cultural diversity. The fundamental choice for Canadians today is the same as the choice that had to be made by the French Canadian leaders of 1867: a Canadian federal union, or cultural, economic or even political absorption by the United States. The existence of a nation must sometimes boil down to simple propositions and this is a fundamental one.

The Canadian framework is suitable for French Canadians because they make up at least one in four of the population. Without this Canadian framework, French Canadians may fall under the American framework where they would represent only one in 40 of the population. Separatism for Quebec might well precipitate that which it is eager to avoid, the disappearance of the French culture in North America. In order to retain their respective characteristics, French and English Canadians are destined to remain closely united in this country. This, not separation, is their salvation.

From the beginning of its history, French Canada has maintained a tradition of vast horizons. Men like Champlain, La Salle, Lavérendrye, Radisson, spread French names to the remote corners of North America. Instead of withdrawing within ourselves, we should renew this tradition. We must march forward and face our challenges. Both Quebec and Canada need our participation.

Are we going to leave behind all these natural resources we own with the rest of Canada? Are we foolish enough to give up our share of this country's promising future? Is Canada, the second largest country in the world, so small that we cannot find our place in it?

The answer is obviously no. We need the rest of Canada just as the rest of Canada needs us to continue with the great national task that awaits us. The time when the French culture shows its strength is not the time to deprive Canada of its essential contribution.

Perhaps, as in the days of the first explorers, we should rediscover this country and its great opportunities for individual and collective advancement.

Process of change

Among the various interpretations of the November 15 elections, one stands out in importance. It is clear that this election is an integral part of a process of change. It confirms that the changes begun in the late 1950s are not only not ended, but that they go on, and will ineluctably continue.

So it is normal that there is concern and that this concern should spread beyond the business circles of Toronto and Montreal to touch Canadians generally. Even in Quebec a great number of people are concerned about what the future holds for them because they see the thrust for change as inevitable. The question that comes to mind in such a climate is whether this concern is well founded, and whether there are not other attitudes to be adopted.

It is often said that the past is guarantor of the future. Therefore, in answering the question it is instructive to analyse the profound significance of change in Quebec over the past 15 years and to find its profound meaning.

Quebecers understood the importance of education and they resolved at great cost to reach the educational levels found in North America. They realized that their religion was all too much a matter of habit and, setting aside external appearances, they engaged in a search for deeper convictions. They became aware that theirs was a society turned in on itself, taking little part in the great international trends, and they resolved to look outwards and communicate with the world. These changes, granted, were so rapid and deep that progress was far from even or sustained.

Quebecers became aware that their share of modern economic life was largely limited to supplying docile and often poorly paid manpower. At first they believed that their situation could improve rapidly if the Quebec government adopted an economic policy and undertook projects that could change Quebec's industrial structure.

So we set about elaborating a plan (modelled on France's). We nationalized the hydro-electric companies, we set up an impressive Quebec Deposit and Investment Fund, we created the General Investment Corp. which was intended to resolutely establish us in the manufacturing sector, we dreamed of a great steel works, later limiting ourselves to the more modest Sidbec project, we launched the development of the hydro-electric potential of James Bay and, finally, we plunged, despite the opposition of a great number, into the adventure of the Olympic Games.

Some lessons were bitter, but we did learn. We have learned that there is no simple formula for remedying, while skipping stages, the deficiencies of an economy. We learned that those who control the means of manufacturing and control the markets will not for any consideration surrender part of them. We learned painfully that

Change~or Lose Quebec

by Claude Castonguay

In the spring of 1974 I was invited, as part of the Massey College lecture series, to give an essay on social progress in the society of tomorrow. A difficult but stimulating subject, and I accepted enthusiastically. My theme led me to insist on the necessity for a fundamental revision of Canadian constitutional and political structures. I even asserted that any real social progress required, as a precondition, adjustments that took into account the reality of Quebec.

The invitation extended to me recently to deal essentially with the same subject made me suddenly realize how great is the distance that we have come over the past two years. As a Quebecer, it seems to me difficult, if not impossible, at the present time to discuss social progress or justice in the Canada of tomorrow, for I would have to know what Canada we are talking about, and, especially, what the status and role of Quebec will be in that Canada.

In other words, I realize more clearly today than in 1974 that the status of a citizen and the status of the collectivity with which he basically identifies himself, are both more fundamental than his social rights. To this more primary question, then, a solution must be found—this question of the status of Quebec and of its citizens within the Canada of tomorrow—before the discussion can be resumed on social progress in tomorrow's perspective.

excessively large undertakings can bring as many problems as advantages. Finally, we have learned that, in the last analysis, we had to rely above all on our perseverance and the sustained development of our natural advantages and possibilities.

In reaction to the fears provoked by demographic changes, the invasion of modern media of communication and the requirements of the North American labor market, we have felt the need to protect our language. Our efforts to this end, while intended to be respectful of others have provoked sharp reactions and even cause deep divisions within our own collectivity. Simultaneously, our cultural and artistic life experienced a spectacular reawakening and now proves remarkably dynamic.

Our electoral standards have also undergone transformation and now unquestionably stand comparison with any in North America. As Prime Minister Pierre Trudeau observed in his televised address following the November 15 election, democracy is healthy in Quebec. It can even be said that Quebecers have become politically sophisticated.

The dramatic autumn of 1970 convinced the agitators in our midst that Quebecers reject violence altogether as a means of achieving their legitimate goals. Moreover, the will to respect individual rights and the rights of minorities has never been so alive as now.

In sum, the changes that we have known in Quebec were intended to free us from our state of isolation and dependency, and to set us on a course of progress and development in all areas. In a word, we wanted fully to meet our responsibilities. And even if change was not without its jolts, no irreparable damage or harm was inflicted.

If one thinks of the recent history of some other countries, it doesn't seem presumptuous to say that we have acted responsibly and one can reasonably hope that it will continue that way in the future.

Search for real solutions

The history of the past few years justifies us, I think, in suggesting to those who are worried by the situation created by the election of the Parti Québécois that they should try to understand the events unfolding in Quebec and to undertake the search for real solutions.

Of course, past and future changes also tend toward emancipation and the pursuit of greater freedom. How could it be otherwise when, since the last world war, the earth has witnessed a general movement of emancipation of peoples.

What must be understood is that there is in Quebec a quite specific collectivity with an identity of its own, its own culture and its institutions, to which belong five million French-speaking citizens. This collectivity has, by its cohesion, its numbers and its state of development, all the attributes of a distinct society. Quebecers want this society to remain dynamic and they want

it to develop.

That is not a new reality: Durham recognized it in 1838 and the Union of Upper and Lower Canada was its political consecration. In 1964, on the eve of the centennial of a Confederation which no longer recognized, to all intents and purposes, this reality, the members of the Royal Commission on Bilingualism and Biculturalism recalled again, in their preliminary report, the existence of two societies in Canada and *insisted on the urgency of recognizing this reality once and for all.*

Here is how the commissioners concluded their first report:

"More than most other countries, Canada is a creation of human will. It has been called a 'geographical absurdity', an 'appendage of the United States', a '4,000-mile main street' with many bare stretches. Nevertheless this country has existed for a long time, because its people have never stopped willing that there be a Canada.

"Each age is fascinated by the difficulties it must face; hence most generations go through periods of doubt. Present day Canada is no exception. But is it more difficult to maintain the entity of Canada today to make necessary changes, that it was to create it yesterday?

"Canada will continue to exist, will grow and progress, will surmount the present crisis, if Canadians have the will—a will like that of the men who built the country.

"The present crisis is reminiscent of the situation described by Lord Durham in 1838: 'I found two nations warring in the bosom of a single state'. The circumstances today are very different; we have not just had a bloody revolt. On the contrary, one of the problems is that a part of the Canadian people does not realize that a gulf has opened, and that we have to rethink our partnership.

"The will we speak of cannot be stiff and arbitrary; it must take account of new circumstances. Like anything that is living it must constantly adapt to changing conditions. Above all it must be based on awareness and understanding.

"The 'negotiations' of which we spoke in the last chapter will be in large part the responsibility of the governments. We conceive them, however, also in a much larger sense. They concern the totality of the two societies in Canada."

Despite the authority and the objectivity of the commissioners their message was not heard. Although the Canadian problem primarily exists at the collective level, a choice was made in favor of an institutional bilingualism, which consequently is largely artificial. A choice was also made to build a strongly centralized state which denies the existence of the two societies.

Still time

There is time still to return to the message

of the Royal Commission on Bilingualism and Biculturalism, for although the election of the Parti Québécois occurs within a process of change and emancipation, it still remains true that the majority of Quebecers clearly want the pursuit of their objectives to take place within a federal Canada. The result of the last election shows this clearly: The Parti Québécois was chosen by only 41% of the voters, and among them a number wanted above all a change of government.

It would be a mistake to think that the option of the *status quo* is the only alternative to the option of the Parti Québécois. For the proponents of federalism it would mean ignoring once more a reality that is obviously tenacious. And, when the question is put, one can anticipate that many Quebecers, in the absence of an option based on a true federal system which recognizes the existence of two distinct societies, will choose the sovereignist option in preference to the maintenance of the *status quo*.

One cannot invoke in favor of the *status quo* the example of those European countries which are seeking to unite in common markets. This analogy does not stand for it does not recognize that in Europe none of the societies involved feels threatened in its existence.

French-speaking Quebecers in no way want to destroy Canada nor are they after any privilege. But they do profoundly want to have the means of assuring the survival and the development of the society to which they belong and to achieve this preferably within a refashioned Canada that is founded on the recognition of the two collectivities. The timing could hardly be more suitable when other parts of the country, by and large, are calling for a less centralized and more flexible federalism.

Yes, there is still time to join together in the undertaking on condition that the majority of our Canadian compatriots understand and accept the true sense of our aspirations. Once this is achieved, we can resume the debate on the pursuit of social justice in the Canada of tomorrow. ☆

Claude Castonguay was minister of social affairs in Quebec until his resignation in 1973 and, until recently, was the Quebec representative on the federal Anti-Inflation Board. This article was printed in the Globe and Mail of January 29, 1977.



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FEDERALISM OR AN ASSOCIATION OF INDEPENDENT STATES

Address given at
the University of Montreal

by

Senator Maurice LAMONTAGNE

under the auspices

of

Canada Studies Foundation

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As this conference is part of a series in honour of Walter Gordon, it is only normal that I begin by saying a few words about this great Canadian.

Walter Gordon, former Minister of Finance in the Pearson Government, is now Chancellor of York University. That is only one of his numerous occupations. For many years, he has served his country in a number of capacities and always with great devotion. He has acted either as President or as a member of several major commissions of inquiry, including one on Canada's economic prospects which, twenty years later, still offers most timely observations. If Walter Gordon is now considered one of the country's greatest defenders, it is primarily because he was the first to show Canadians the dangers of too great an economic dependency on the United States, a crusade in which he has persevered tenaciously over the last twenty-five years, notwithstanding the difficulties and the lack of rewards. But his crusade has indeed greatly contributed to the new collective assessment of our situation and is partly responsible for the fact that today more and more Canadians want to retain their national identity rather than become assimilated by our powerful neighbour to the south. In this most important respect, we owe a great deal to Walter Gordon.

Obviously, the topic I picked for this address has been dictated by the present circumstances in Quebec. In talking about Quebec's future, I will have to limit myself to summary and preliminary thoughts only. The difficulties that Quebec society faces, and the solution and options it may select, are too complex and diverse to be discussed according to their merit within the context of a single address. I wish to express those preliminary thoughts here in all sincerity, with the greatest respect for the opinion of others, while asserting, from the outset, my attachment to federalism.

The manner in which political parties behaved during the election campaign and the result of the November 15 election has created a climate of confusion that would not be so worrisome if it did not entail the very future of Quebec. While it is true that 60 per cent of those who cast their ballots voted against the party that proposed independence, one must ask whether the others voted for complete separation, for the souveraineté-association approach or simply for a good government and a dynamic leader and against a governmental team that had become unpopular. That is the first source of confusion, even though, according to certain surveys, approximately half of those who gave their support to the Parti Québécois did not favour separation.

This is no doubt why this Party promised to behave as any ordinary provincial government and to administer the province within the present framework of Confederation as long as separation was not decided upon. On the other hand, the Parti Québécois must remain faithful to its indépendantiste ideology and proceed with the calling of a referendum. And we have here, again, another important element of ambiguity. The dual aspects of this mandate are incompatible. One cannot expect the partner in a marriage to really participate in conjugal life when he is firmly resolved to separate and has already begun divorce proceedings. How could such a partner participate and be seen as a valid voice in any dialogue attempting to improve the condition of the partnership?

So we find ourselves in a rather bizarre situation for, if it is true that a large proportion of the Quebec population is opposed to separatism, it is no less true that these same people seem to want modifications to their condition as partners in the federal household. Meanwhile, the new government in Quebec has neither the credibility, nor it seems the desire, nor even the possibility of expressing seriously, vigorously and positively this popular will. Consequently, the great majority of Quebecers find themselves without a valid provincial spokesman in the federalist debate at a point in time when they need such a spokesman more than ever. Circumstances are such that this spokesman is not where he should be since he is fully engaged elsewhere in a quite different process. Unfortunately, it is not the first time in its history that Quebec has lived through such contradictions.

The Referendum

So we find ourselves faced with the prospect of a referendum whether as a result of the collective will, which is doubtful, or of accidental circumstances, which is more likely. This plebiscite, desired or unwanted, will nevertheless be of major importance for Quebec's future. Unfortunately, such a method of consultation is not easily used effectively, particularly when it pertains to complex issues. So we are faced with three major problems. On what date will the referendum be held? How will the campaign preceding it be organized? And how will the questionnaire be worded?

The date of the referendum is important. Opinion survey experts know how changeable public opinion is and how it can be influenced by circumstances that often have nothing to do with the substance of the decision to be made. If one of the parties has the privilege of selecting the date on which the population is to be consulted, that party has, at the very outset, a decided

advantage over his opponent. So it would seem that the public interest and that of the Parti Québécois are incompatible in so far as the choice of the date is concerned. If one takes into consideration the climate of uncertainty surrounding the holding of a referendum, it would no doubt be in the general interest to avoid any undue delay. However, the Parti Québécois seems to believe that its chances of victory are best if it delays the holding of the referendum for as long as possible.

Also, the organization of the campaign preceding the referendum could have a determining influence on the result. Who will be allowed to participate in that campaign? Presumably, everyone in Quebec and even all other Canadians since they will be directly affected by the decision to be taken, which should give them the right to be heard. Who should bear the costs incurred by the participants? One can assume that private groups will have to underwrite their own costs but will they be allowed special tax deductions as a partial compensation? What will be the situation of political parties? Will they have to limit themselves to the funds collected from the private sector or will they have access to public funds? If the later alternative were to apply, how would the funds be divided? Should the Quebec government have special access to public funds in order to finance its own campaign? If so, should the same not apply to the government of Canada since it represents Quebecers in all areas of federal jurisdiction to the same extent that the Quebec government represents them in areas of provincial jurisdiction?

There is also the very complex problem of access to the information media. Should the rules concerning political broadcasts during a provincial election campaign apply similarly to the campaign that would precede the referendum? In this case, should not the federal political parties have their own programs? And what about private groups? Will they be able to use radio and television and under what conditions? The solution to such unprecedented problems could be all the more complex since it would rest largely with federal bodies.

Finally, one must define the terms of this popular consultation; this is possibly the most difficult task of all and it will ultimately determine the validity of the referendum. The options presented to the population must allow it to make its choice without any ambiguity and to see clearly both the advantages and the inconveniences of the alternatives. Therein lies the difficulty. For the population to be able to state its choice clearly, it will be almost indispensable that there be only one question. Obviously, if people face more than two options and several orders of preference, the answers obtained could be inconsistent and the results could be inconclusive. This is a problem with which public opinion survey experts are most familiar.

However, the options being discussed at present are far from being clear and their consequences are even more difficult to understand and to foresee. For example, the new Quebec government does not solely favour independence or separation, which is a clear option in its concept, at least, if not in its effects. It also proposes -- and this is another essential element of its program -- an economic association with what would be left of Canada. The nature and the form of such an association remain to be defined. To what degree would it reduce sovereignty? More important still, can one honestly propose to the people of Quebec an option the implementation of which depends upon partners that have not been consulted? And if what remained of Canada decided to refuse such an association? Would it then be total separation? If such were the case, the Quebec population would have been consulted on a false option.

The alternative to separatism or to souveraineté-association is federalism. But that concept too is far from being precise. Already, since 1867, we have lived under four different types of federalism. In the current debate, reference is made to what is called "the Canadian concept" of federalism to which some people would like to oppose a "Quebec concept".

And then there are those who propose a federation of the five main regions of Canada. Should the question asked at the time of the referendum also concern itself with federalism? In the affirmative, which form of federalism would be proposed and who would define it?

As you can see, it will not be easy to organize this referendum in such a way as to guarantee its credibility and validity. And the obvious and very deep conflict of interest in which the Quebec government finds itself certainly does nothing to improve the situation. For, while organizing such an historic consultation, that government will be at once judge and jury, notwithstanding the enabling legislation that will eventually be voted by the National Assembly. In this respect, the proposal submitted by Professor Léon Dion recommending the creation of a Council on the Referendum as an autonomous and impartial body should be followed.

The campaign preceding the referendum will only begin officially with the announcement of the date on which it will be held. It would be most surprising if such a campaign could avoid polarizing public sentiment and take place in a serene climate completely devoid of emotion. As for the debate on Quebec's future it has already begun and, especially at this point in time, it is of the utmost importance to avoid polarization and to remain calm.

The Debate and Its Participants

Fortunately, from the outset, we can admit that there are no traitors among us so that there should be no moral indictment in the current debate. However, as far as Quebec's French-speaking elites are concerned, there is a division between the nationalists and those whom I will describe, for lack of a better term, as the humanists. I realize that the two tendencies are easier described in the abstract than in real terms and that it is difficult to define them with any objectivity. Nevertheless, this must be done for, in my opinion, this division is at the heart of the debate and it determines the practical options selected by the participants.

The nationalist school stresses, naturally, the group or the nation, its way of life and vast collective projects. It stems mainly from a class phenomenon where leaders take on the task of defining what constitutes the common good of the nation, according to their own preoccupations and their own aspirations. In this context, it personifies, consciously or not, the quest for power of a certain number of the elite. But nationalism often becomes intolerant with regard to "foreigners" and it can also be most intransigent toward the "natives" demanding of individuals that they sacrifice themselves in the name of the higher interests of the nation. Nationalism is at once collective and particular. It leads directly to collective independence.

In Quebec, such a tendency has very old historic roots for it dates back to the days of Louis-Joseph Papineau who, after 1820, triggered a long constitutional debate to obtain greater power for political leaders while neglecting the preoccupations of the French Canadian people who, at that particular point in time, were faced with a very serious economic and social crisis. In more recent times, the slogan "Maître chez nous" caused the Quiet Revolution in 1962 to forget its original objectives. And this deviation in turn produced the "politique de grandeur", which in no way reflected the preoccupations of the masses and consequently was rejected by the voters in 1966. Jean Fourastié warned us of such a danger when he said: "The average man's 'logic' is very different from the rational thinking or logic which is taught in books. Thus the gross errors made by the intellectuals and the men of the 'leading classes' whenever they attempt to think like the crowd or when they try to talk to or inform the people".

On the other hand, the humanist school, at least as I see it, is centered on the individual, his needs and his aspirations. Its main preoccupation is the standard of living of the people. It sees the nation not as a master but rather as a servant, as one of many groupings that must promote and protect the individual.

The founder of the European Community, Jean Monnet, gives an excellent definition of this approach when he writes in his Mémoires: "... man's development rather than the affirmation of a country great or small, is the object of all our efforts". And so, humanism is at once singular and universal, for it aspires to individual liberty and the full realization of all men. It is therefore also pluralistic and open. In this context, collective independence ceases to be an imperative and becomes an option, among other options, that must be assessed as all others according to the contribution it can make to the freedom and development of the individual.

This humanist approach also has historical roots in Quebec dating back to Louis-Hippolyte Lafontaine. In order to bring about economic and social reforms and the implementation of public works that had been too long delayed by the constitutional crisis of the 1830's, Lafontaine chose to utilize the political institutions of United Canada, however imperfect; in so doing, he greatly contributed to improve the lot of French-Canadians. In a moment, I will also attempt to demonstrate that, in more recent times, several federal governments adopted the same attitude.

But before doing that, I would like to remind you that if one does not take into consideration this very real distinction between the two basic concepts of the objectives of a political society that evolved among the French Canadian elites, it will be much more difficult to understand what has been referred to as "our internal divisions". For, in fact, these two approaches are essentially different in their spirit, their objectives and their results. One approach is nationalist: it pretends that only revolutionary changes in political structures can bring about a true solution to the problems of Quebec society. Hence independence is seen as a vast collective project, as an historical enterprise of liberation. The other is humanist: it maintains that what matters most is the development of good policies that will ensure man's improvement; it further contends that political structures -- which in any case will always be imperfect -- should be adapted as much as possible to the requirements of that goal. This division within the elite that characterizes the current debate is certainly nothing new in Quebec. So we should ask ourselves which of these two approaches has best served Quebecers in the course of their history.

Historical Reminders

In recalling as briefly as possible certain key moments in our history, I will first assert that the French Canadians have had to overcome grave difficulties and that they have had serious

grievances that were fully justified. But those aspects of our history are rather well known and I do not intend to recall them. I prefer to stress other points that have been forgotten or inadequately covered by several generations of our historians, as these points could bring a new perspective to the current debate. This approach will no doubt appear as an antithesis, but I feel it must also be considered as part of the total assessment.

Without going back to the French régime and to the way mercantilist and imperialist France treated those who already identified themselves as Canadians, I will nevertheless take a brief look at the Conquest. Our historians have delved at length on our defeat, an interpretation that has not been forgotten by English-speaking Canadians who, upon occasion, still treat us as a conquered race. Would it not be closer to the truth to say that France and her armies and not the Canadians lost the Seven Year War; that France could have kept Canada when she negotiated the Paris Treaty in 1763 if only she had been more interested in Canada's furs than in Guadeloupe's sugar? And yet, the traditional interpretation of the Conquest is largely responsible for the inferiority complex that, for so long, has haunted us.

We have also been told that we had been destroyed and that we would never be able to rise again. Such was the message of the darkest form of nationalism, but what would have happened without the "Conquest"? Undoubtedly, economic stagnation as the fur trade declined, the indefinite postponement of the development of democratic institutions and also, quite probably, eventual assimilation into the great American melting pot. It is clear that the new régime was, particularly for our elite, a serious challenge. But what would have happened to the people if complementary economic relations -- almost impossible with a largely self-sufficient France -- had not developed with Great Britain; if, after the "Conquest", the fur trade had not been complemented by wheat exports and had not been followed by the timber trade and shipbuilding, once the beaver had disappeared and wheat production had substantially declined, particularly after 1820? Poverty would certainly have been much more widespread than it was and emigration to the United States would have begun earlier and would have been much more massive. In such a context, we can say that the new régime at least made possible the economic and social survival of the French Canadian people during a very difficult period of readjustment; from this point of view, it did indeed give our ancestors a new beginning. But then, how is one to interpret the efforts of Papineau and his friends to convince the London government after 1833. to terminate Lower Canada's timber trade?

During the 1860's, the Quebec economy again showed signs of a new crisis as the shipyards and the timber trade declined because of the ever-greater negative impact of the Industrial Revolution and the unfavourable external climate.

At that time, Confederation saved the situation. And yet, Papineau opposed that project siding with his young disciples of the Institut Canadien, many of whom favoured annexation to the United States.

After 1867, the new federal government -- thanks to its greater borrowing capacity -- began to undertake vast public works such as the construction of railways, of harbour facilities and the St. Lawrence Seaway System. The federal government organized a wider common market that grew with the acquisition of the Northwest Territories. In 1879, it proclaimed the National Policy that considerably increased tariff protection in order to keep the Canadian market for the new manufacturing industries. Toward the end of the century, under more favourable circumstances, the federal government developed a comprehensive program that was to lead to the rapid settlement of the West and to the creation -- really for the first time in our history -- of complementary economic relations between the different regions of the country.

These new arrangements were very beneficial to manufacturing industries in Quebec and Ontario, providing them with a rapidly growing domestic market. André Raynald, the former president of the Economic Council of Canada, has shown that all through this long period both provinces developed at much the same pace. It is true that their industrial structures became diversified as Ontario inherited the steel industry while Quebec developed the textile and shoe industries. But such a diversification was largely the result of geographic conditions, each province reproducing the industrial vocations of its adjacent region in the U.S. Thus Quebec became the industrial extension of New England.

It can nevertheless be said that Quebec's industrial takeoff must be largely attributed to the federal Government's initiatives, and which greatly contributed to the improvement of the Québécois' lot and to the eventual termination of massive emigration, notwithstanding a most unfavourable technological climate. Even when, at the beginning of this century, natural resources became a dynamic growth factor, provincial governments only played a very passive role with respect to economic development. During the same long period, the nationalist elite concentrated their attention on Riel, the school question and Canadian participation in foreign wars. They were, at that time, much more interested in the fate of French minorities living outside Quebec than in the condition of the population living within the province.

With the Great Depression of the '30's came the realization that industrialization and urban growth could be the source of major forms of economic and social insecurity for individuals and their families. And yet these very serious problems that affected the people had no real priority for Quebec governments between 1930 and 1960. Their intervention was limited largely to helping needy mothers and to very modest measures of social assistance often

offered in a discretionary manner to favour political friends. Once again, the federal Government had to undertake this new fight against insecurity. In 1941, it began to develop a system of social security that today, in spite of certain deficiencies, remains one of the best in the world.

The nationalist elite was violently opposed to these measures, even though they answered some very urgent needs of the population; it argued that they infringed upon provincial autonomy, were inspired by Protestantism and were threatening our collective personality. During the Great Depression, and even afterwards, these elite proposed a retrograde ideology. They were preaching the revenge of the cradle even though there were no jobs available. They favoured a return to the land even though the agricultural potential was exhausted. They praised the advantages of a rural environment but the sons of farmers were forced to move to the cities. They proposed an impossible form of corporatism while scorning labour unions and co-operatives that could have helped the people. They imposed religious and national segregation as a guarantee of survival although the American economic invasion continued at an increasing pace.

In the cultural and educational fields, Quebec was then atrophied. Universities were dangerously out of date and the few researchers they tolerated received very little support. There were a few theatre companies but they survived mainly through the devotion and sacrifices of the artists. There was no support for our literature. There were, what we called at the time the "retours d'Europe" but these exceptions had difficulty readjusting to our milieu. Our language was extremely poor. There were many who could not express themselves without frequently resorting to religious advocations. Because of this peculiar religious contribution, it would have been more accurate to say that faith was the guardian of the language.

Successive provincial governments did not indicate by their action that cultural development was for them any great priority. It can even be said that, in this area, the Quiet Revolution limited itself to a few symbolic gestures. Even today, there is still hesitation on the part of the Quebec government to create a cultural council as there is a continued fear of ensuring freedom and adequate financial support for our cultural development.

Here again it was up to federal governments to innovate and fill the void that could have been tragic for the survival and progress of the French Canadian culture. First, there was the development of a science policy to help researchers, through the creation of the National Research Council. Other federal institutions followed: Radio-Canada and the Canadian Broadcasting Corporation, the National Film Board, the Canada Council. Many support programs were instigated: subsidies to universities, financing of post secondary education, assistance to film makers and to the publishing industry.

These were the programs that were most forcibly attacked by the nationalist elite because they believed that such federal institutions and programs constituted a serious threat to our collective personality. However, without these "intrusions" what would have become of the individual personality of our researchers, of our artists, of our painters, of our chansonniers, of our authors? What would have become of our cultural institutions, such as our universities, our orchestras, our theatre and ballet companies? How could we fail to recognize the considerable contribution of Radio-Canada to the cultural renaissance and linguistic progress of Quebec? Furthermore, it must be said that direct or indirect federal assistance to cultural activities showed far greater respect for the liberty of institutions and individuals than certain interventions by provincial governments.

Some of you may see in this historical retrospect a form of pleading. Personally, I feel that it represents the truth, although it may not be the whole truth. It only recalls a general outline of events that have not been widely discussed in Quebec. In my opinion, it shows that the Canadian Confederation has not been a failure as certain people would have us believe. The economic, social and cultural fate of Quebecers would have been much worse if it had been left solely to the nationalist elite and to provincial governments that have held office since 1867. It may be useful to remember these points at a time when another Quebec government invites us to free ourselves from the chains of federalism and to give it the exclusive responsibility for our individual and collective destinies.

An Association of Independent States

As a matter of fact, the invitation that the Quebec government has extended to us is rather ambiguous. It proposes independence but also association. According to the well known formula, we are offered separation if necessary but not necessarily separation. There are no doubt very serious reasons that prevent the Parti Québécois from frankly contemplating total separation. It may be useful to review some of them briefly.

First of all, sovereignty would be more symbolic than real. The era of truly independent nations is gone. Technology, closer economic relations and more rapid communications have produced interdependence and made isolation impossible. What happens in the Middle East now affects our daily life. Recessions and chronic inflation are world-wide. Technological autarchy is no longer possible, even for the United States. Soon we will have direct access, in our homes, to television programs produced on the five continents.

This is why nations like those of Europe -- which have for centuries enjoyed sovereignty -- now see themselves forced to abandon it sector by sector. They realize that in what is left of that independence, their freedom to manoeuvre is more and more limited. In the context of such a world movement toward interdependence, how could Quebec succeed in its backward march toward an inaccessible rendez-vous? Mr. René Levesque often proposes the European experience as a model of what he would like to accomplish. In my opinion, the example is badly chosen because what the Europeans are trying to create with great difficulty is more or less what we already have here in Canada.

Moreover, there are constitutional forms of independence that barely veil strong links of dependence. At the time of Mr. Lévesque's visit to New York we were given a glimpse of what Quebec's independence might be. The object of his speech was to reassure the American fund raisers and, consequently, to hide as much as possible the bent toward social democracy. Through the limitations it imposes, reality thus betrays even the most beautiful dreams.

Quebec's independence could be only symbolic but its cost would be very real and, quite likely, substantial. The economic costs could be enormous and would no doubt contribute to worsen the current stagnation. For instance, and this is only one example among many, Mr. Parizeau recently declared in Toronto that the absence of a common market with Ontario would be catastrophic, notably for Quebec. The most recent figures available indicate that Quebec exports 30 per cent of its manufactured products to the rest of Canada, while Canada sells only 14 per cent of its manufactured products in Quebec.

Some advocates of independence view with contempt any attempt to measure the economic consequences of separation. Possibly they would not be there to bear them. After all, Papineau has already shown them the road to exile. Fortunately, the Quebec government is more realistic when it proposes an association with what would be left of Canada. However, the content, the form and the very possibility of such an association remain uncertain.

The content of such an association appears strictly economic since René Levesque has already announced that a sovereign Quebec would even have its own army. Recently, Jacques Parizeau emphasized the creation of a common market. He has also previously proposed a monetary union. As for Claude Morin, while he talks of an economic association, he gives no details as to its content. He could hardly propose its extension to all economic policies, including fiscal policy and regional development programs. So where does one stop? How does one distinguish between economic policies and social policies?

A comprehensive economic association would leave little scope for unilateral government decisions and would render ridiculous the pursuit of independence. It is really quite astonishing that after nearly 10 years of reflection and discussion, the Parti Québécois, having initiated the referendum process, is still not capable of giving any clear indications as to these essential aspects of its great project. While we wait for clearer definitions, let us suppose that the proposal for association would be limited to a common market and a monetary union.

The form of such an association also remains vague. Would it create customs and monetary authorities of a confederative type whose mandate -- both in its terms and its execution -- would be constantly and directly under the jurisdiction of the governments and parliaments of the new Canada and of Quebec, each of them thus maintaining their full sovereignty? How then could one expect to have wise and quick decisions by submitting the formulation and execution of such complex policies as tariff and monetary policies to such controls and negotiations.

Jean Monnet, giving us the benefit of his great experience, warns us of the dangers of such an approach. "...the Europe of sovereign states was incapable of bringing forth from its bosom, however great the good will of its leaders, the wise decisions which were needed for the common good". Further, in his Mémoires, he adds: "General de Gaulle's proposals...completely disregard all the experience which has shown us, through a series of failures, that it is impossible to settle the European problems among states which retain their full sovereignty". And Jean Monnet continues: "General de Gaulle explained that he wished to reduce the common action of France and its neighbours to exchanges between governments. However, experience shows us that such exchanges are necessarily precarious all the more so as they are constantly being questioned through threats of breakups".

And Jean Monnet concludes by indicating the other approach: "...to delegate sovereignty and to exercise in common this delegated sovereignty. It seems to me that nothing else has been invented in the last 25 years to unite Europe, notwithstanding all the occasions to by-pass this road". However, if one wishes to avoid purely bureaucratic authority and to ensure the democratic exercise in common of the delegated sovereignties, such a road inevitably leads to federalism. This was certainly Jean Monnet's objective. This may also be the road that Mr. René Lévesque was suddenly rediscovering when, recently, he stated that he did not reject the idea of a federal parliament, provided such a parliament did not levy taxes and did not pass legislation. In this regard, he lags behind Europe which is currently preparing to elect directly by popular vote a true European parliament. Why then submit us to a lengthy process, both difficult and dangerous, to arrive finally more or less where we are right now?

However, Europe's march toward federalism is proving to be long and difficult and it is not certain it will reach its goal. The European Community is currently experiencing serious problems stemming both from national interests and quarrels about sovereignty. As a matter of fact, if it does not soon accept federalism, it is threatened with destruction, after 25 years of existence. So, Europe's experiment shows that it is not easy to build up and maintain an economic association among independent states.

By constantly referring to the model of the European Community, the Parti Québécois indicates that it will no doubt take the road of delegated sovereignty but it will more than likely stop at a delegation of power to bureaucratic authorities or commissions such as those that still exist in Europe. How then will such authorities be constituted and how will decisions be made within these institutions? Will Quebec's representatives have the right of veto? Will they be on an equal footing with those of the rest of Canada or will they be on a basis proportional to population? According to newspapers, Bernard Landry, addressing the Public Affairs Council in early March, said that Quebec would only require a voice proportionate to its population. No doubt this is the only realistic attitude the Quebec government can take if it wishes to make its formula for association acceptable to the rest of Canada. Proportional representation, however, would be approximately 25 per cent, which means that Quebec's voice would always represent a minority.

Thus, the formulation and execution of tariff and monetary policies would then be completely outside the control of an independent Quebec, so that it would then have less say in these two strategic areas than it now has through its representation within the federal government and parliament and through the interventions that the provincial government can make. Clearly the choice being proposed is not terribly tantalizing: either complete separation with all its catastrophic consequences, as Mr. Parizeau himself says, or, association but with less independence and control than there now is at least in those specific sectors it would cover.

One must also realize that an association that is intended to be limited may have much more extensive consequences. The kind of common market proposed by Quebec's Finance Minister would provide for a free exchange of goods, capital and people. The effects of such freedom would imply serious limitations with regard to the formulation of fiscal policy. For instance, if corporate income tax were higher in Quebec, business firms would tend to relocate elsewhere and investment capital would leave. A climate of social democracy would have similar effects. The free

movement of people would considerably reduce control over immigration and emigration as well as over manpower policies. As you can appreciate, reality's many components can seldom be conveniently chopped up into separate pieces. One may wish to have a very limited association but often such a union can have more far-reaching effects than its immediate thrust. Unfortunately, in this matter, one must also accept the consequences of what one wants.

A monetary union offers similar problems. Of course, such a union would have great advantages for Quebec as it would ensure more stability and greater borrowing capacity. But such an association would also mean that the effective control on the money supply and on the interest rates structure would not belong to Quebec. Such a lack of control would impose serious limitations upon the taxation and expenditure policies of the Quebec government.

Thus, economic association, even in a limited form, leads from independence to a greater servitude. And even such reduced sovereignty would have its price. I have no intention of entering at this stage into the battle of statistics regarding the profitability of federalism.

Nevertheless, I find most deplorable the recent decision of the Quebec government to publish certain figures purporting to show that, between 1961 and 1975, the cost of federalism to Quebec would have been \$4.3 billion. It is the first important gesture by that government that makes me question its intellectual competence if not its honesty. I was astonished to see the Premier, Mr Levesque, endorse such a stratagem.

Using incomplete figures in a way that often distorts their meaning, the Quebec government has drawn general conclusions that can easily mislead the population. Several analysts have already emphasized that such an exercise was an unforgiveable error for an economist like Mr. Rodrigue Tremblay. One cannot measure the benefits of federalism solely by looking at the money collected and spent in Quebec by the federal government. Any serious assessment would require a much more comprehensive analysis of costs and benefits. For instance, if one looks only at government accounts, tariffs appear only as a cost to Quebec. The benefits of such customs protection to the industries and workers of Quebec are not included in this government balance sheet. There is another illustration I would like to give. Over the years, the Canadian government has spent more than a billion dollars in Ontario for research on atomic energy. The public accounts would indicate that Quebec paid its share of such expenditures but they would not show that Quebec has already benefited from this research when nuclear installations were built at Gentilly and that, in the future, it will benefit even more if the provincial government decides to rely more heavily on that technological option.

These two examples alone show that the Quebec government has seriously underestimated the benefits of federalism. If it wishes to retain its credibility, it must quickly correct such gross mistakes, for the people of Quebec are entitled to reliable information when their future is at stake. This is their most fundamental right. More particularly, the government will have to take into account the incomplete but justified criticisms published by the Co-ordinating Group of the Federal Provincial Relations Office in Ottawa.

Personally, I believe with Mr. Parizeau that the economic price of independence would be enormous, much more so as the yield of the same rate of taxation is smaller in Quebec than the national average. This differential is the reason for the equalization payments that would be discontinued after separation. This lower yield would also mean that the Quebec government would have to impose higher taxes in order to finance federal expenditures now being made in the province. No one has yet calculated this differential but it would certainly represent a substantial amount.

Separation would imply another price, a cultural cost. More and more English-speaking Canadians living outside of Quebec are currently learning French and participating in the French Canadian culture, thus ensuring its protection and diffusion. Separation would undoubtedly end this trend of empathy and our artists might be the first to suffer. Moreover, separation would fracture French Canada. Approximately 20 per cent of the French Canadian population lives outside Quebec, mainly in Ontario and New Brunswick. No doubt Quebec has contributed to the progress and survival of French minorities, but these groups also allowed Quebec to expand its cultural frontier. Separation would certainly not foster such mutual support, particularly since the milieu where those minorities would then live would be even less sympathetic than in the past.

As one can see, the sovereignty-association formula holds serious inconveniences for Quebec that are seldom mentioned. But let us ask ourselves whether or not such an approach is feasible: How would separation and association be accepted by the rest of Canada? The Parti Québécois maintains that Quebec independence would also be a liberation for English-speaking Canadians and that consequently it would take place in a serene climate on either side. I for one know of no secession that was accomplished in a peaceful climate even when it did not fracture a country into three separate parts. It may be that Canada would be the exception even though at present, according to the latest surveys, only 14 per cent of Canadians accept the idea of separation. How can we believe on this basis that it would not create acrimony and animosity?

For separation to take place in an atmosphere of peace and legality, it would have to be the object of a negotiation and an agreement with the rest of Canada at least to settle the accounts and separate the assets. Such a process could be more complicated than some people seem to believe. Mr. Lévesque simply proposes that the Quebec government acquire all federal property within the province and assume 25 per cent of the national debt. Is such a formula equitable? No one can answer this question. Would it be acceptable? Presumably, if Quebecers opted in favour of separation at the time of the referendum, they would then either implicitly or explicitly accept such an arrangement.

However, the government of Canada would not have such a mandate to negotiate the separation and the settling of accounts. Normally, the rest of Canada should have the same right as the people of Quebec to be consulted by means of a referendum on this negotiation. What would happen if they were to vote against separation and the formula proposed for sharing the assets? This is where confrontation would occur even if it had not been wanted at the outset. Should we dare to imagine the situation that might then develop?

That is not all. The rest of Canada would also have to be consulted on both the content and the form of the new association. Would it favour monetary union, even if it thought that Quebec might weaken Canada's currency? Would it accept the common market? The answer to this last question is more difficult. Once separation would have been decided, Ontario might be interested in such an association, particularly as its influence would be crucial within the new community. But it would probably not be the same for the West or the Atlantic region, which have both felt for a long time that they were the victims of tariff protection without really benefiting from it. This question would bring about very deep divisions within the rest of Canada and could very well provoke the final rupture, particularly in the West where grievances against Ontario are deeply rooted. On the other hand, if the common market were refused by this new Canada, it would mean economic catastrophe for a separated Quebec, according to Mr. Parizeau.

To summarize, the sovereignty-association formula holds certain and serious dangers for Quebec and for the rest of Canada. It implies even more risks, which are difficult to foresee and to measure, including the emotional confrontation that might become uncontrollable. For Quebec, is it really worth engaging in this long march, ending up, at worst, with a catastrophic separation or, at best, with an independence more symbolic than real? Personally, I really hope that, once the referendum is over, we will stop playing the role of sorcerers' apprentices. This shorter path will already have cost us enough in terms of spent energy, loss of time, internal divisions, uncertainties and instability. I sincerely hope that we will then quickly come back to the more basic elements of reality because the very urgent problems of the new society that is developing under our very eyes and, too often without our participation, will not wait indefinitely.

The Federal Solution

For the time being, a large majority of Quebecers and other Canadians are against separation. However, they are not in agreement as to what should be the orientation and content of federalism. They can be divided largely into two groups that I would define as the structuralists and the functionalists. As it is quite likely that the federalist option will triumph, it seems to me that the debate between federalists is much more important than the debate on separatism. I greatly fear, however, that, by taking place simultaneously, the two debates will add to the confusion.

The structuralists demand a complete overhauling of federal structures. Some propose reconstructing federalism by recognizing at the outset two distinct communities within Canadian society. But they have not yet defined the constitutional implications of such a distinction.

This thesis is based on the premise that Quebec is not a province like the others. But, who can say that any two provinces in Canada are alike. Ontario and Prince Edward Island are but two extremes of the provincial mosaic. On the other hand, the French and English-speaking communities of Canada certainly differ by their language -- a most important fact -- but their territorial distribution does not respect provincial boundaries; moreover, both their homogeneity and their respective differences can easily be exaggerated. In this respect, Guy Rocher wrote in a recent article: "Under the surface of language and a certain folklore which characterizes it, Quebec is, in fact, deeply influenced by the American civilization". Laval University's professor Marc-André Tremblay came to a similar conclusion after a comprehensive survey of consumer behaviour in Quebec: "Quebecers enthusiastically respond to the call of modernization and adopt new ways of life and new modes of thinking which make them, each day, more similar to other North Americans". So, before the idea of two communities is retained as a practical proposal, those who, like Mr. Claude Castonguay, propose this option, will have to develop it further in order to demonstrate its validity and, also, its constitutional implications.

There are also those structuralists who would like to rebuild our federalism on the basis of Canada's five main regions. This approach cannot be rejected either but, before considering it in greater detail, we should ensure that it is realistic. For instance, it is doubtful that it would be acceptable to the Prairies. As for the idea of an Atlantic Union, it was already being considered in pre-Confederation days. It was brought up a few years ago, only to be rejected again.

Finally, there are those structuralists who propose a vast constitutional rearrangement in favour of provincial governments. This proposal is still quite vague. At the extreme, there are those who propose to turn over to the provinces almost all the responsibilities of the state and to leave the federal government primarily with the task of maintaining the kind of economic association the separatists are advocating together perhaps with responsibility for national defence and a few aspects of foreign policy.

In fact, the structuralists seem convinced that nothing short of a fundamental reform can save Canada. They are searching for a third option, somewhere between separatism and the status quo.

As for the functionalists, while maintaining that they are eventually prepared to rejoin the structuralists, as Mr. Trudeau has indicated, they propose a different approach. They know that provincial governments and their public servants will always want more powers and always wish to extend their jurisdiction without having to increase provincial taxes. However, functionalists do not postulate massive decentralization. They believe that it should take place if it corresponds to the needs and aspirations of the people, but not necessarily if it represents only the goal of a certain number of the elite. To that extent, their attitude is more flexible and more democratic.

In the Canadian perspective, the status quo that is so much discussed these days corresponds much more to a myth than to reality. In fact, our federalism has always been one of the most flexible in the world. Since 1867, we have known four different regimes, within a constitution that has remained largely the same. First, we had a very centralized system within which the federal government exercised all the major responsibilities of the state, the provinces being relegated to the role of large municipalities. After the First World War, the provinces assumed a dominant role within Confederation. The federal hegemony reappeared with the Second World War, but the provinces, especially since 1957, when the formula of equalization payments was applied, again began to play a central role with Canadian federalism.

A few figures illustrate the swings of the pendulum. In 1870, direct federal expenditures on goods and services represented 52 per cent of total government expenditures; in 1926, that proportion was only 26 per cent. In 1950, it climbed back up to 48 per cent to come down again to 25 per cent in 1975. Thus, we are today in almost the same situation as in 1926 which was the golden era of decentralization in Canada. Moreover, in 1926, federal Government subsidies to provinces and municipalities represented approximately 3 per cent of their total expenditures. That proportion rose to 15 per cent in 1950 and to approximately 30 per cent in 1975. This movement served to consolidate the decentralization trend.

Other figures could show just as clearly that Canadian federalism has been in constant evolution and that it has never locked itself in the status quo. The new fiscal arrangements reached in December of 1976 will also accelerate the current movement towards decentralization. The same could be said of the federal proposals made in the late 1960's that were not taken up by the provinces after the failure of the Victoria Conference on the patriation of our constitution. These proposals, including the limitation of the federal Government's spending power, should soon be the object of new negotiations. As Mr. Claude Ryan recently indicated, the decentralization movement began 20 years ago and its pace has accelerated.

Since it appears that even certain experts who constantly refer to the status quo are ignoring the existence of this trend, I believe it is necessary to take stock before we go any further in order to know exactly where we now stand. And we must above all ask ourselves where we want to go. Those who do not already have a pre-determined position that is likely to be too simplistic will not find this question easy to answer.

Personally, I have no objections to undoing and remaking the constitution. However, the experience of France which has played this game so often leaves me rather sceptical. But I am convinced that one should use the present climate to proceed to a constitutional housecleaning, at least in order to eliminate what is out of date, -- for example, the right to disallow provincial laws, -- and to formally recognize what has become common practice for example, provincial access to indirect taxation. It is also urgent to write into our constitution a charter of human and linguistic rights.

The difference of approach between the structuralists and the functionalists in so far as the division of powers between governments is concerned, cannot be better illustrated than by referring to the cultural question. Both groups agree on one major point: the cultural growth of French Canadians is essential. This is an undisputed imperative. In order to attain this objective, the structuralists join forces with the separatists and claim that, the Quebec government should have exclusive responsibility for all cultural policies and the central government should abandon any intervention in this area. Mr. Bourassa had echoed these claims when he talked of cultural sovereignty.

For the functionalists, cultural growth does not mean first the enrichment of the collective personality of the 'nation' but rather the progress of individuals and private groups. Such growth requires freedom but it also needs state support. One must then ask whether this private freedom and this public support will be better ensured if the Quebec government has the exclusive

responsibility for all cultural policies or if it shares that role with the government of Canada. Researchers and artists who are in the forefront of cultural growth have constantly faced this type of problem and, to my knowledge, they always feel freer when they have access to several different sources of financing.

This example illustrates the differences that can exist between those who speak for the collective personality of the 'nation' and those who place the emphasis on individual and private freedom and growth. I hope it will be the functionalist approach that will inspire our examination of current constitutional arrangements. Such an approach is no doubt less spectacular and less satisfying for those who would like to proceed immediately with fundamental reforms, but it is also more realistic and it involves less risk of errors that could prove disastrous for Quebecers.

In my opinion, it would be unrealistic and undesirable to seek a constitution that would be too specific, too definitive and one-sided. Human problems whether they are economic, social or political cannot in most cases be put in separate categories and the solutions they require very often transcend the boundaries or categories originally established. On the other hand, when new problems arise for the state -- and these frequently occur in our era of perpetual motion -- first one level of government then the other will be in a better position to resolve them effectively. That is what explains the movements of the pendulum mentioned earlier that have well served Canadians in the past.

Thus, we must avoid locking federalism into static and definitive constitutional structures that would be incompatible with the constant evolution of our society and the real needs of the population. In fact, in order to remain valid, federalism should not be set in any definitive framework. It must be constantly redesigned and reformed. Henri Brugmans maintains that "Federalism does not consider political action as a method leading to an ultimate objective abstractly defined but rather as an evolving symbiosis, a fruitful interaction". Mr. Jacques-Yvan Morin wrote in the past: "Man's ingenuity and the force of events have created a system which allows to resolve the antinomy of aggregative and segregative tendencies present in the current international society. That formula is called federalism". But the solution of this antinomy, both at the national and international levels, requires that federalism seek constant compromises between both tendencies mentioned by Mr. Morin. It is in this spirit that we should examine the constitutional question.

Moreover, the examination that we should undertake should be made in the light of the problems to be solved and according to the capacity of the various levels of government to bring about

the best possible solution. We have reached the era of the 'global village' during which international events -- such as the risks of nuclear war, population explosion, hunger in the world, cartels of producers of scarce goods, the international pollution of the environment and chronic inflation -- will determine more and more our collective and individual destinies. We should not rearrange our constitution without taking into account all these planetary factors.

On the other hand, in Quebec and in Canada as in other industrialized countries, a new society is being built under our very eyes and at a very accelerated pace. It will make us very different in the year 2,000 from what we are today. This so-called post-industrial society will bring forth new challenges and new problems, most of which will be neither specific to Quebec nor specifically Canadian. Pierre-André Julien, Pierre Lamonde and Daniel Latouche have begun showing us the scenario of the future in a book entitled "Quebec 2001, A Cooled Society". This is but the beginning of a prospective effort that must continue and be intensified. It would not be prudent, in my opinion, to constrain ourselves within a constitutional yoke that would not be adjusted to tomorrow's challenges, which can hardly be defined today.

Finally, the process that will lead to a constitutional rearrangement should be democratic and should take into consideration as much as possible the needs, aspirations and preoccupations of the whole population and particularly of those who are referred to as the non-initiated, the silent majority whose opinion is only known through surveys or general consultations. Many of us, and governments in particular, even in Quebec, have the bad habit of always identifying the priorities they select with those of the population. Such an attitude has caused them and could still bring them very disagreeable surprises and sad awakenings.

For instance, it is obvious that all the energies the Quebec government is now devoting to the separatist cause do not yet correspond to a basic priority of the great majority of the population. Mr. Bourassa realized only too late that cultural sovereignty found little echo among the people. Mr. Lesage's politique de grandeur never reached the average citizen. Those among our bilingual Quebec cultural elite who preach French unilingualism should know that more and more Quebecers have learned to follow the migratory birds to Florida, that the majority of parents want their children to learn English and that tourism, our main industry, could not survive in North America without bilingualism. One day our elite will have to humble themselves enough to get nearer to the average citizen in order to progress with him, while preceeding him, rather than to stay far away from him, to propose to him goals that he does not wish and to send him long distance messages that he cannot hear.

By closing this gap, the elite would probably discover, as surveys seem to indicate, that constitutional debates and the centralizing or decentralizing movements at the federal and provincial levels do not really captivate the people. Mr. Lionel Sorel, President of the Union Catholique des Cultivateurs, stated several years ago: "Farmers are practical people, not idealists. Moreover, they want to improve their lot by all possible means, whether the assistance comes from Quebec or Ottawa or elsewhere". I very much doubt that such a mentality has really changed.

Like the citizen of other so-called advanced societies, the Quebecer is now more educated, better informed and more affluent. More and more, he wants to define his own priorities and to achieve his own aspirations. This need to affirm individual personality is clearly seen in every day life. This renaissance of individualism is very positive because the search for happiness must be, first and foremost, a personal quest. This renewal at the individual level extends to the community and regional levels. Such an extension finds its manifestation in the constant growth of citizens' groups within which individuals attempt to assume their own destiny.

These voluntary and grass-roots movements indicate, in my opinion, that more and more citizens find that higher levels of government, federal and provincial, have become too large, too bureaucratic and too remote. What people really want is probably not so much a constitutional rearrangement as a redefinition of the role of the state and a regional decentralization of administrative structures and of decision-making in such a way as to make them more visible and more human.

If such an interpretation of the popular will is valid, governments, both federal and provincial, will have to abandon their tendency to control everything and to spend more and more. Rather, they will have to invent new means of making individuals and their groups not only freer but also more jointly responsible for their own destiny. They will have to take the necessary measures not to extend the public domain but rather to encourage and reinforce a sense of private responsibility. They will also have to attempt to decentralize their services as much as possible and integrate them at the regional level and to adjust their policies according to the real needs of the different regions. In short, the higher levels of government, rather than fighting to take more powers away from each other, will have to agree to give more responsibilities to the people and the means of exercising them. This redefinition of the role of the state and this possible regionalization of administrative structures and policies should be the object of special consideration as we begin the re-examination of our federalism.

Finally, I would like to insist on the need to organize as effectively as possible the process that will be used during that re-examination. I do not think that we should assign this most important task to a committee of wise men. Such an elitist approach would not be democratic and might be unrealistic. However, it is obvious that the advice of experts will be very important and that these experts should be invited to integrate their contribution into the process right from the beginning. At the other extreme, it seems that it would be very difficult to follow the referendum route. However, our re-examination should be collective and rely on the largest possible participation and consultation. Private institutions and groups as well as political parties will have to make their views heard. The media will no doubt have a very large part to play in organizing and feeding the dialogue.

But it will also be necessary to focus the process of re-examination to establish organizations capable of building a consensus and of developing concrete reforms that will improve the constitution and our federalism. In order to fulfil these functions, it has been suggested that special constituent assemblies should be elected. Such a formula does not seem very practical. Such assemblies, in order to be representative, would have to be made up of a great number of people presumably not quite familiar with the rules and procedures of parliamentary debate. They could result in confusion and in a dead end. On the other hand, governments do not have the necessary credibility to fulfil these important functions because they originate from only one political party and they could be seen as biased. The creation of parliamentary committees within the federal parliament, and possibly in provincial legislatures, still appears to be the best formula, provided these committees have adequate means at their disposal and are above partisan politics so as to accomplish their mission with the greatest effectiveness and objectivity possible. Moreover, such a formula would allow us to begin the examination of the constitution and of federalism more rapidly, something which, in the circumstances, would be highly desirable.

Conclusion

It is not an exaggeration to say that we are presently living in historical times. The Quebec government has just proclaimed its linguistic charter. Once again, on behalf of a minority view of the collective personality, that government intends to restrain our own individual freedom and that of others. It is also risking an acceleration of an already serious emigration movement and the drying up of the immigration movement which is already on the decline. This could have dangerous economic effects. Is that really how the government conceives Quebec's grandeur? Is that its answer to Quebec's search for pride? Personally, I am convinced that no ghetto, linguistic or other, can ever be a springboard for grandeur and pride.

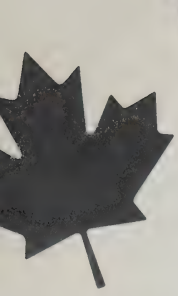
The cry for independence has always touched a very emotional cord. Each year on the night of Mexico's national holiday, the President sounds this cry. Once I heard it in Mexico City and I found it all the more moving as it fell upon the silence of misery. But there are those who would have us believe that independence could settle all our problems, eliminate all our divisions and differences. Many years ago, Mr. René Levesque stated: "We have the most marvellous chance in the world to become, with our five or ten million people, a kind of Eden". Such exaltation is not reassuring. President Giscard d'Estaing was more realistic in a recent message to his compatriots when he stated: "The urgency of union preempts the right to be different". It is thus obvious that France, notwithstanding its secular independence and its linguistic and cultural homogeneity, has not yet been able to overcome its dissensions and to realize the dream of Eden.

It should be possible to propose independence without reducing it to the simplistic message of Social Credit. Like all the others, the independentist option should be presented honestly with its two faces, with the vital energies it can engender, but also with its limitations, its costs and its risks. It is certainly not because political decisions would henceforth be made solely by the Quebec government, instead of being shared with the government of Canada, that Quebecers would immediately be projected into the Garden of Eden. To cite only an extreme example let us not forget that Uganda is an independent state.

Personally, I would prefer for my compatriots the cultural and economic security, together with the guarantees of individual freedom, that Canadian federalism offers. I am proud of being a Quebecer but I am also proud of belonging to a larger country that is the envy of so many foreigners. I am deeply attached to my language and to my culture but I also want to have direct access to that other great cultural current that expresses itself in the English language. I do not claim this privilege solely for myself, as some of our nationalists do. On the contrary, I wish to share it with all my Quebec compatriots who want to benefit from it.

Having said that, I will admit that Canada is not a paradise and that, notwithstanding considerable recent improvements, it is not yet easy to be a French Canadian in this country. I also recognize that our federalism must be modified, even in great depth, particularly if such fundamental adjustments correspond to the general will. But I reiterate with Jean Monnet: "Let us beware of perfectionism". And I add with Saint-Exupéry: "Man's most beautiful mission is to unite men". At this point in time in Canada we have a unique occasion to accomplish this marvellous mission. I trust that we will seize it and channel our most generous energies toward building unity rather than separation.





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from the office of the minister of national health and welfare
the Honourable Monique Bégin

Government

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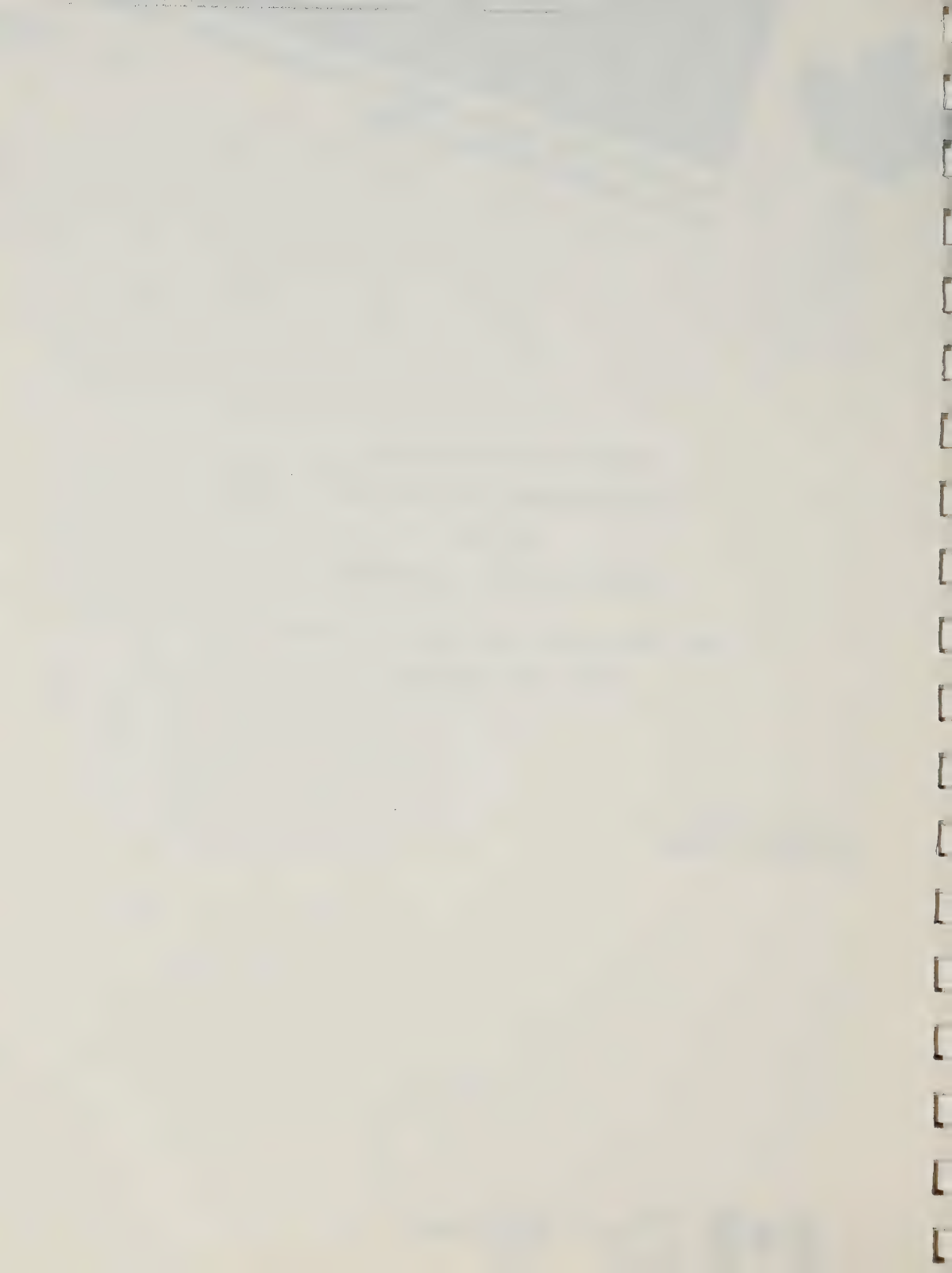
NOTES FOR AN ADDRESS BY
THE HONOURABLE MONIQUE BÉGIN
TO THE
MONTREAL CHAMBER OF COMMERCE
THE DEMOGRAPHIC SITUATION IN QUEBEC:
MYTHS AND REALITIES

SHERATON HOTEL
MONTREAL, QUEBEC



Health
and Welfare
Canada

Santé et
Bien-être social
Canada



It is not my intention, coming before you at the dinner hour, to spoil your appetites by painting a sombre picture of all our woes, be they real or imaginary. Nor is it my intention to give you indigestion by describing, in the blackest possible terms, the situation of a country - of our country - Canada - our Canada - whose future remains despite what is said to the contrary, highly promising. It is even less my intention to spoil your afternoon by lamenting before you of all the evils that the separatists claim have fallen upon Quebec through its merely being a member of the Canadian Federation.

I shall therefore not speak of the venomous fight to the death of two scorpions enclosed in a bottle - that horrid image that Mr. René Lévesque thought fitting to bring up again, this time during his Paris visit, to describe to the insect collectors of the French National Assembly the coexistence - a difficult one undeniably, but how enriching - of the two major linguistic communities component of Canada. They decorated him with a medal for this, which only goes to prove as we say in French "A beau mentir qui vient de loin" - distance gives the traveller licence!

The present Premier of Quebec is not very gifted in describing Canada to those who, like the majority of Frenchmen, are not familiar with it. One must either be not too clever or bear a great deal of ill will to try to convince the French that this country was born under the sign of Scorpio. One would also have had to have very little knowledge of ancient, modern and contemporary history to go and say in all seriousness to a group of New York financiers that Quebec holds a "colonial" place within the Canadian federation and to compare before them without risking ridicule, the political status of the Quebecers of today with that of the New Englanders under the rule of George III!

Unfortunately for Mr. Lévesque, these financiers know very well that this slightly mad king had not even allowed his American subjects to modify a tea tax - and that this led to the famous Boston Tea Party some two centuries ago which was the start of the American Revolution. The New Yorkers are not unaware, on the other hand, that the present Canadian Constitution will allow Mr. Jacques Parizeau, the Quebec Finance Minister, to collect more than 8.2 billion dollars in taxes of all kinds, and even to place a tax on children's clothing - even though he will as well receive transfer payments of close to three billion dollars from the federal coffers. As Yvon Deschamps would say, "Our colonies ain't as they used to be"

The historical distortions that these two speeches by Mr. Lévesque contained; the flagrant manipulation of statistics by Ministers Rodrigue Tremblay and Bernard Landry in the famous "Economic Accounts", which attempted to demonstrate, despite facts to the contrary, that Quebec is the major loser in Canadian federation; the insistence with which Minister Robert Burns repeats that the referendum procedure that he proposed at the end of this past summer was inspired by the "British model", when this is in fact false and was invented to manipulate consultation with the people on independence; the systematic distortion by péquiste politicians of the intentions and the effects of the major economic policies of the federal government; the enormous hoax of the concept of "souveraineté-association" which the Péquistes refuse to explain in detail, which they describe in unceasingly contradictory terms, and which will never be more than a will-o'the-wisp, a carrot dangled before the Québécois electorate to lead them to vote for total independence without realizing it: all these untruths,

over the last twelve months, have unfortunately confirmed that the Anti Québécois in its inability to count on fact, reason and common sense to convince Quebeckers that it is in their interest to separate from the rest of Canada, is placing the emphasis on the heat of passion and on an insidious mythology to evince a "yes" from the populace, a "yes" that the large majority of them are resolved, until now, not to give.

The remarkable stability of the results of opinion polls in the last year on the question of independence fortunately indicates that (this attempt to persuade) is in the process of failing. Twelve months after the access to power by the Parti Québécois, scarcely more than 15 to 20 percent of the population favours independence - in other words, the same proportion as in the Fall of 1976. But the new myths for which they seek to gain credit with the population of Quebec, especially the youth of Quebec, represent no less of a grave danger for the future of Quebec's society. In fact, these myths run the risk of falsifying the perception that Quebeckers have of their political, economic, social and cultural situation and to bias the important strategic choices they must make in the years to come.

This would not, moreover, be the first time that pernicious myths have restricted the direction of the development of French-Canadian society. At previous points in our history the myth of "a civilizing mission" to the French-speaking Canadians of North America has distracted them from the effort of planning that was necessary in the area within which they were concentrated. The myth of "language, guardian of the faith", has for too long nurtured confusion between cultural and spiritual values and has prevented French-Canadian institutions from rendering to

these two values that which was the due of each; the myth of "back to the land" has encouraged migration of a portion of the francophone population to outer regions with low economic potential, while steering society as a whole away from the secondary and tertiary sectors - manufacturing industry, commerce and finance - the sectors that are precisely the most dynamic.

In many aspects, the new myths that the Parti Québécois has taken upon itself to instigate and to propagate, are merely the reincarnation of those already engendered in the past by the traditionalism of French-Canadian society. Between the nationalism of yesterday and the nationalism of today the continuity is more marked than the "go-left" Péquistes would suspect. The rehabilitation of Maurice Duplessis by the Lévesque government has a symbolic value. He may not have been allowed to use the staircase of Louis XVIII, but Honoré Mercier too was decorated with the Légion d'Honneur; I wouldn't be the least bit surprised if the "economics" ministers of the Parti Québécois soon turn up a new guru: Curé Labelle.

The ultra-nationalist mythomania that exists did not spring forth with the PQ election on November 15 last; it has characterized the PQ from its very inception, in the late Sixties, as well as the separatist movements that were its precursors, such as the RIN. In no area has this mythomania been more fantastic than when it deals with the questions related to demography, language and culture. These are the questions I would like to discuss with you now.

Based on a partial interpretation (both in the sense of "fragmentary" and in the sense of "biased") of certain short-term demographic trends, the separatist and ultra-nationalist elements have created and maintained in the

province of Quebec over the past ten years a sociocultural insecurity that - and this must be admitted - has greatly encumbered almost all political debates.

Such insecurity is supposedly justified by a demographic prediction quoted by the Péquistes with increasing assurance, if not conviction: that is that the francophone Quebecers are in danger of becoming a minority, that they will account for less than 51 percent of the population of Quebec, in some more or less distant future that they refuse to specify. This gradual "minoritization" is apparently the result of the lowered birthrate among francophones and the strong propensity for immigrants establishing in Quebec to integrate with the anglophone minority. It would therefore appear vital, according to the Parti Québécois, to reverse these trends by the earliest possible independence for Quebec.

I will recall for reference purposes that at the last census in 1976, 81.3 percent of Quebecers were French-speaking. This would therefore mean that the proportion would have to drop by 32 percent for the prediction to come to pass. Needless to say, if such a thing were to occur, it would be obviously impossible for Quebec to remain largely French and a demographic change of this type would also drain the French cultural resources of the rest of North America.

This insecurity was expressed by Premier Lévesque in his speech of November 2 to the members of the French National Assembly where he spoke of the constant concern, nagging concern, one might even say daily concern, to maintain a linguistic and cultural identity that has lost the old security of a Quebec that is isolated, rural and fecund, an identity that is nowadays exposed as never before to the great continental currents of the American culture

and is in addition at risk of being "minoritized" by the immigration policy of a federal State that we shall never be able to control, and by the excess weight brought to bear in Quebec by an anglophone minority, the leading lights of which have for too long exercised a truly colonial influence.

This insecurity had already been expressed on numerous occasions in innumerable speeches by the Minister of State for Cultural Development, Dr. Camille Laurin, both during and after the adoption of the Charte de la langue française. I shall mention only two of the categorical statements that appear in this White Paper on the French language charter: Canadian confederation places francophones at a disadvantage, especially in Quebec. If the demographic evolution of Quebec is maintained, francophone Quebecers will become less and less numerous.

This is now the official thesis in Quebec; it has become the rallying call of the Péquiste government. It is one - if not the one - driving power of the independentist option of this government. This thesis is, moreover, one of the basic hypotheses of the restrictive and constraining language legislation to which the PQ government has devoted close to half of its first year in office. It is therefore vital that we carefully examine its ins and outs with great care.

Has Canadian confederation really disadvantaged the francophones "especially in Quebec"? Would francophone Quebecers really become proportionally less and less numerous in Quebec if the demographic evolution of recent years were to continue? Is the francophone majority in Quebec really threatened with "minoritization" as Mr. Lévesque has proclaimed to such far corners as the French National Assembly's festival hall? Is the "excessive" weight of the

anglophone minority in Quebec constantly on the increase and is it increased by immigration? In short, is it necessary to proclaim independence in order to "save the race"? Note that, even if the danger were real, independence would stand a great chance of changing nothing, but there would at least be a valid reason for venturing it.

But what if all this were false? What if, contrary to statements of the PQ, Canadian federalism actually favoured the growth of the French-Canadian population? What if Quebec's francophone population, far from the risk of "minoritization" were instead in the process of becoming increasingly numerous proportionally? What if the weight of an anglophone minority in Quebec were decreasing?

What would be left then of the myth of social and cultural insecurity? What would be left of the arguments put forward by the Parti Québécois to justify this leap into the unknown that independence would represent?

It is therefore vital that we dissipate as soon as possible the confusions and contradictions that have for years surrounded the subject of the demographic evolution of Quebec. It is absolutely vital that the French Canadians of this province be well informed of their true situation as a human community, and of the dangers, if any exist, that threaten them as a people, - and all this before there is any referendum or referendums on independence. This is why the federal government has launched a program of demographic studies to examine these questions in depth. I cannot wait to unveil the preliminary results of these studies, since they will clip the wings of the myth of sociocultural insecurity and the related claimed necessity for independence.

I shall therefore base my first question on a statement made in the White Paper on the French language "Has

Canadian federalism disadvantaged the demographic expansion of the French-Canadian people"?

According to the official history of the PQ government it is "around the Nineteen Fifties" that our consciousness as a people began to take place.⁽¹⁾ This is to deny two centuries of history. It is moreover to falsify historical truth by claiming that as early as the signing of the Treaty of Paris in 1763 there was already a "French-Canadian people".

Now, what constitutes a "people"? Of course, to begin with, the occupation of a habitat by a population with a collective will to live and a collective conscience. Also, however, the strength of numbers is needed and a certain amount of time - what we in our province have called "survival". The territories of New France that were ceded to the British Crown in 1763 had only 70,000 inhabitants who spoke French - this is about twice the student enrolment of the University of Montreal and its schools. What is more, occupation of these territories was both recent and precarious, in the light of its economic and social infrastructure. Many human migrations both greater in numbers and more long-lasting have never resulted in the creation of a new people. Many a trading outpost, many a colony (even ones more populous and richer than New France) have been abandoned by their founding population after being ceded to another power.

The destiny of the French-speaking inhabitants of the new British colony was to be quite different. In less than one century they became a people. This they owe first of all to their own genius, their determination, their desire for being, but they owe it also to the economic and social transformations that the ceding of New France to Britain made possible in the St. Lawrence Valley. We must recognize

(1) White Paper

and admit, despite the vicissitudes of these troubled times, that it was during the century of British colonialism that French Canadians became a people.

The Constitution of the French-Canadian People

At the beginning, then, there was a small parcel of humanity, a small parcel of French humanity. There was also a historical option, witness to the fact that this population was not long in taking root: the decision to stay in its new home, the St. Lawrence Valley, despite the injustices inflicted by the new colonial power. There was as well a strategy for survival that was remarkably effective, since it managed to frustrate the new English settlers' desire for assimilation. This strategy was primarily based on a solid settlement of the rural areas: the first "back to the land" movement. But mostly this was based on one of the most avowedly natalist ideologies that any human collectivity has ever imposed upon itself and that, thanks to the extraordinary fecundity of French-Canadian women and to their indescribable courage, literally engendered a demographic phenomenon that is almost without precedent in the history of humanity: "la revanche des berceaux" - revenge through the cradle.

In less than a century the French-speaking population of Canada multiplied twelve-fold. From 70,000 in 1761 it rose to approximately 880,000 in 1861 - and this does not include the thousands who had already left for the United States.

Gentlemen, it was our grandmothers and great-grandmothers who engendered the French-Canadian people. But no matter what we say and do against the "maudits anglais", these damned Englishmen, it was the economic development under the British colonial regime which allowed the new

people to survive and the majority of the new generations to remain where their ancestors had settled, either in what is today Quebec or in the neighbouring regions of Ontario and New Brunswick.

In the eighteenth century the economic orientation of France was - and was to remain so until the end of the next century - an essentially continental one, or in other words, one centred on Europe. On the contrary the economic orientation of England was already, at the time of the Treaty of Paris, resolutely maritime and planetary, world-centred. The American revolution was to provoke within a few years a revision of British mercantilism that made it infinitely more favourable to the development of its new colonies than French mercantilism had ever been for New France. As a result of the Napoleonic Wars and its own industrial revolution, Great Britain was to become at the beginning of the nineteenth century, the foremost commercial power in the world.

French Canada has therefore had the good fortune - yes, the good fortune - to enter into the orbit of this country at the right time, since the economic development of the territory it occupied was greatly accelerated. We can scarcely imagine how France, in light of its economic orientation and its political interests, could have organized a comparable development in New France if it had remained under the Bourbon Empire. Did not Louis XVI support the American Revolution to humiliate Britain? Would he not have been tempted to join the destiny of New France, had he still been its master, to that of an already independent New England? Associated politically with a million and a half anglophone Americans, could the 70,000 people of New France have been able to remain French? And if the second-last

Bourbon to rule France (the last being Louis XVIII) had kept the colony on the St. Lawrence, would Napoleon not have sold it to the United States as he did Louisiana, to finance his wars in Europe?

In either case, the French-Canadian people could not have continued to exist. Integrated with the United States, the American French would no doubt have multiplied but they would have been assimilated just as quickly into the American "melting pot". There would be nothing left of them today but an ethnic peculiarity; people would speak of "the St. Lawrence French" the way they speak of the "Pennsylvania Dutch". If they had remained within the French orbit, New France would have continued to depend on the fur trade and on subsistence farming for decades more until the United States, following their manifest destiny, came and took them over for good.

The British colonial regime thus created an economic and political infrastructure that allowed the French Canadian people to grow and to rapidly, if not easily, attain self-government. During this century of transition loyalist, English, Scots and Irish immigration built up new colonies in the virtually empty areas of Ontario and the Maritimes. True, this immigration was anglophone, and it gradually altered the linguistic composition of the Canadian population. By creating a home market of greater size, however, by "densifying" occupation of the territory, by reinforcing the commercial and financial infrastructure of the country through the linking of Montreal and the St. Lawrence Valley, by canals, by railroads, with the economic hinterland of Upper Canada, this anglophone immigration gave rise to economic development that - in one of those paradoxes often found in history - allowed the "revanche des berceaux" to happen. It is in fact unthinkable that the weak

foundations of the economy of New France could have supported such a demographic spurt. The children would not have been born, or if they were born they would not have survived, or if they had survived they would have emigrated.

The emigration drain to the United States is to some extent the proof by the absurd of this historical finding. Despite the increase in its economic development, French Canada did not in the last century manage to support and therefore retain all those born to it. It is in fact estimated that at the end of the nineteenth century one third of the population of French-Canadian origin was living in the United States (800,000 persons). It must be admitted that it was the tariff policy established by the federal government that at the turn of the century managed to stem the flow of this emigration and to permit French Canadians to pursue their demographic expansion in more favourable conditions. It was in 1867 and it remains today one of the major reasons for our political and economic association with the anglophone components of Canadian federation. This association has permitted the French-Canadian people to develop, not "normally" as Mr. René Lévesque would say, but in a completely extraordinary way.

The Growth of the French-Canadian People

But let us get back to demography. Let us see what growth has characterized the French-Canadian people throughout the first century of the existence of the Canadian federation. Let us measure the advances that the French language majority in Quebec had made.

In the first federal census taken in 1871, four years after Confederation, there were in the four provinces of Canada (Quebec, Ontario, Nova Scotia and New Brunswick) 1,083,000 French Canadians. One hundred years later in the

1971 census there were 5,794,000 persons whose mother tongue was French. This is an increase of 435 percent. In other words, in the first century of existence of the Canadian Federation, the French-Canadian population has more than quintupled.

Let us now examine the situation for Quebec. In 1871 this province recorded 930,000 French Canadians. One hundred years later it recorded 4,867,000 persons whose mother tongue was French. This is an increase of 423 percent. In other words the francophone population of Quebec also has more than quintupled, although its increase has been slightly lower than that of the increase for the entire French-Canadian population.

During the same hundred-year period the total population of Canada - francophone, anglophone and speakers of all other languages, - has gone from 3,689,000 to 21,046,000 people, if we exclude Newfoundland, the addition of which since 1949 would skew any demographic comparisons. This represents an increase over one century of 471 percent.

The increase of the population with French as its mother tongue, in Quebec as in the country as a whole, has therefore been only slightly less than that of the entire population of Canada. We may deplore this. We may seek to remedy it. But we must recognize that the demographic increase of the French-Canadian people within the framework of Canadian federation, has been absolutely exceptional. We need only make a few comparisons with Europe to establish this.

From 1871 to 1971 the population of France (including Alsace-Lorraine) went from 37.7 million to 51.3 million inhabitants. This is an increase of 36 percent, twelve times less than that of French Canada. During the same

period the population of Great Britain increased by 107 percent, and that of the two Germanies by 99 percent. In both cases the growth is four times less than that of French Canada.

There may be some objections to the effect that the populations of these countries were decimated periodically by war. Let us turn then to some smaller countries that have scarcely been touched by war, or that have escaped it entirely.

In 1870 the population of Denmark was around 1.8 million, and one hundred years later it had reached 5.0 million. This is an increase of 178 percent.

Switzerland, a peaceful country if there ever was one, had 2.7 million inhabitants in 1870. In 1971 it had 6.2 million. This is an increase of 133 percent.

In 1870 there were 4.2 million Swedes, and one hundred years later there were 8.1 million. This is an increase of 94 percent.

The population of Sweden did not quite manage to double and those of Denmark and Switzerland came much less close to tripling, while that of French Canada quintupled and more!

In 1871 there were 690,000 Norwegians more than there were French Canadians, or 1.8 million. In 1905 Norway separated from Sweden and became independent "all alone". Did the growth rate of the Norwegian people benefit from this change? Apparently not. In 1971 its population had risen to 3.9 million, an increase of 120 percent, and for that same year there were 1,894,000 more French Canadians than Norwegians.

I state therefore that Confederation has been greatly in favour of the growth of the French-Canadian people, and

that the gratuitous statements and harmful myths propagated by the Parti Québécois will never change, by one iota, this historical reality.

I state therefore, and back it up with figures, that the demographic expansion of French Canada, during the first century of the existence of the Canadian federation, has been absolutely exceptional and greatly superior to that of almost all other western peoples, in countries great and small.

I state in addition that if the Parti Québécois wants to demonstrate that Confederation had disadvantaged French Canadians, it must use other arguments than demographic trends over the long term, because the separatist thesis in this regard is totally untenable.

I now come back to the other statement of the White Paper, which I shall now put in the form of a question: If the demographic evolution of Quebec were to continue as it is, would francophones really become fewer and fewer in number?

It is quite obvious that, to answer this question honestly, one must make a careful study of the most recent demographic trends in Quebec. It is not enough to deplore the drop in fertility among French-Canadian women, without specifying, as the Péquistes all too often fail to do, that this is now stabilizing and seems to be in the process of rising again. It is scarcely enough either to sound the alarm on all possible notes that assimilation and anglicization are undermining the francophone majority in Quebec, when the main supporting evidence for this, namely enrolments in English schools before Bill 22, mainly indicate the inadequacies of English courses in French schools. It is not sufficient either to lament because there are too few

immigrants coming to Quebec, and also too few French-speaking immigrants, without adding the fact that nothing is being done to attract them. It is even less sufficient to do as Mr. Lévesque has just done in Paris, to go and tell people that French Canadians will never control their own immigration policies at the precise moment that the Péquiste government in Quebec is in the process of reviewing the final text of a federal-provincial agreement that will give it control over the selection of immigrants to settle in that province.

To support in a credible way the fact that "minoritization" is dogging the heels of the francophones of Quebec, it would have to be demonstrated that the proportion of the population of Quebec that they constitute, although always greatly in the majority, is in a downward trend. This thesis is hard to support, since according to the data on mother tongue in the five-year censuses of 1971 and 1976, the proportions of francophones in Quebec has instead shown an upward trend.

I take pleasure in making public today a comparative analysis of data on mother tongue in these two censuses.(1) This analysis has been commissioned by the federal government from demographer Réjean Lachapelle, of the Institut de recherches politiques de Montréal. This is a very restrained piece of work. It does not dodge the technical difficulties raised by comparison between the data on mother tongue from one census to another, especially since the modification of Statistics Canada methods. In it the author cautions us to be prudent in interpreting the conclusions, and so I shall be prudent. Since 1871 the relative weight of the francophone

(1) "Notes on the comparability of the composition by mother tongue in the 1971 and 1976 censuses". Réjean Lachapelle, Institut de recherches politiques de Montréal. November 1977.

majority in Quebec has been remarkably stable; from one census to the other, within one or two percent, francophones have always represented 80 percent or more of the population of Quebec. The general wave of opinion holds that Quebec, once freed of the after-effects of an economic development led principally by anglophones, remains and will become more and more French. And that is enough for me.

In 1976 Quebec counted 5,069,000 inhabitants whose mother tongue was French. This was 200,000 more than in 1971. In absolute figures, then, the francophone majority in Quebec had progressed by more than 4 percent over this five-year period.

In 1976 too there were 792,000 persons whose mother tongue was English. The increase over the previous census was only 3,000. Therefore the anglophone minority of Quebec had increased by less than 1/2 percent.

The same year there were approximately 374,000 persons speaking other languages - Italian, Greek, Portuguese, Inuit, North American Indian and so on. There were therefore only 3,000 more of this "other languages" group in Quebec than there were in 1971. Therefore the other linguistic minorities had increased in Quebec by a little under 1 percent.

These figures speak for themselves. They will be found in detail in the Tables in the Appendix. The francophones of Quebec, far from being threatened by "minoritization", have represented more than 90 percent of the total population growth in the province between 1971 and 1976.

I state, therefore, that in the most recent five-year period the position of the francophone majority has progressed fairly rapidly. Quebeckers whose mother tongue is French

represented 80.7 percent of the population of their province in 1971. Last year they represented 81.3 percent.

I state also, that over the same period the anglophone minority of Quebec has become even more of a minority. From 13.1 percent of the total in 1971 Quebecers with English as a mother tongue have dropped to 12.7 percent in 1976.

I state, finally, that over the same period the proportion of Quebecers with a mother tongue that is neither French nor English has gone from 6.2 to 6.0 percent.

The "demographic fear" that the separatists have been spreading in Quebec for nearly ten years now is therefore unfounded. The linguistic and cultural death knell that the Parti Québécois sounds unceasingly is a false alarm. The threat of "minoritization" of the French Canadians in Quebec is a myth. Prime Minister Trudeau was right in stating this past October 6 that the French fact is not in regression in Quebec, statistically speaking. Nor is it in regression in Quebec from any other point of view. On the contrary, the French Canadians are asserting themselves, progressing, making their presence felt with increasing impact in all fields: finance and business, science and research, the cinema and literature, the theatre and radio and television. In politics also. In Ottawa as well as in Quebec City.

The actual state of affairs, then, contradicts the separatist thesis; but it confirms that of the francophone federalists. The French fact is a solid and massive one, an irreversible one in Quebec; but it is more fragile and its position has not yet been consolidated in the other regions of the country. In fact, the analysis to which I have referred by Réjean Lachapelle indicates that the positions of the francophone minorities in Ontario and New Brunswick have weakened in the last five-year period. In New Brunswick

the population with French as its mother tongue has dropped from 34 to 33.6 percent of the total between 1971 and 1976. In Ontario it has dropped from 6.3 to 5.7 percent.

These trends can hardly move one to be complacent. There is most certainly a French-Canadian demographic problem, but it is in the anglophone provinces, not in Quebec. The separation of Quebec, in addition to creating demographic stagnation, would not resolve any problem and would be absolutely catastrophic for the million francophones living in other provinces.

We the French-speaking federalists, therefore are of the belief that we work as hard as anyone for the maintenance and assertion of the French culture in North America. The difference is that we work where the threat is a real one, where the position is the weakest. We are barely tempted by battles won before they are fought, with their unfortunate chauvinistic and retrograde steps, that the Péquiste government has undertaken to orchestrate in order to stir up Quebeckers. What we want is to win the war where there is a real risk of its being lost. We are fighting to ensure the application in its entirety of not only the letter of the law but the spirit of the law, in this case the Official Languages Act, everywhere in Canada where it is applicable. We fight to consolidate the social and cultural infrastructure of the francophone minorities in other provinces. We fight to convince anglophones who still entertain the dream of a too-exclusively anglophone "One Canada" that linguistic equality is a much nobler ideal, much more enriching and also much more practical for our country. In a word, we are fighting to make Canada a land where a majority French Quebec will feel more at home, more at ease. This is the goal, linguistically and culturally,

of the Canadian challenge. We believe more than ever that this challenge warrants being met.

Quebeckers, momentarily blinded by the myths cynically encouraged by the Parti Québécois (the myth of minoritization, the myth of regression of French, the myth of cultural insecurity, the myth of federal centralization, the myth of the constitutional status quo - I could go on and on), these Quebeckers have temporarily forgotten that provincial democracy has ensured them, for 110 years now, of a political, economic and cultural autonomy that many countries greatly envy - many peoples who are formally (i.e., solitarily) independent. These Quebeckers, glowering within the little Quebec they have created for themselves, refuse to recognize that, thanks to federal democracy, French Canadians fully share with English Canadians, and have shared for more than a century now, in the government of a great country and not merely of the one belle province of Quebec.

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Table 1

Corrected Population Figures According to Mother Tongue,
Canada and All Provinces, 1971 and 1976

	Mother Tongue			
	All Languages	English (in thousands)	French	Other
Canada				
1971	21,568	12,974	5,794	2,800
1976	22,993	14,117	6,001	2,874
Quebec				
1971	6,028	789	4,867	371
1976	6,234	792	5,069	374
New Brunswick				
1971	635	410	216	9
1976	677	442	228	8
Ontario				
1971	7,703	5,972	482	1,249
1976	8,264	6,471	471	1,322

Notes:

1. Totals do not always correspond to the sum of the components, since figures have been rounded off.
2. Raw census data for 1976 on population according to mother tongue have been made comparable to those for the 1971 census using a method developed by Réjean Lachapelle of the Institut de recherches politiques de Montréal. This method is set out in "Notes on the composition according to mother tongue in the 1971 and 1976 censuses" November 1977, by Réjean Lachapelle.

Table 2

Percentage Distribution of Population According to
Mother Tongue, Canada and Three Provinces, 1971 and 1976

	Mother Tongue			
	All Languages	English	French	Other
Canada				
1971	100.0	60.1	26.9	13.0
1976	100.0	61.4	26.1	12.5
Quebec				
1971	100.0	13.1	80.7	6.2
1976	100.0	12.7	81.3	6.0
New Brunswick				
1971	100.0	64.7	34.0	1.3
1976	100.0	65.2	33.6	1.2
Ontario				
1971	100.0	77.5	6.3	16.2
1976	100.0	78.3	5.7	16.0

Source: Réjean Lachapelle "Notes on the composition according
to mother tongue in the 1971 and 1976 censuses"
November 1977, Tables 6, A1 and A3.



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THE WANDERING QUEBECKER

Address by Mr. Roger Lemelin, writer
Publisher and President of LA PRESSE
before the Liberal Party of Canada
Toronto, March 25, 1977

THE WANDERING QUEBECKER

Ladies and Gentlemen:

There is a well-known French-Canadian folklore song telling of a Wandering Canadian, banished from his country, forever crying in strange lands his love for his home soil. It relates, of course, to an old-time French Canadian set adrift into the wide world. But today the picture has changed. It is on his own soil that this French Canadian is threatened to be set adrift if he does not abide by the Separatist faith; and all across English Canada he is surprised to find that the actual menace of the Great Canadian Explosion has given him a lot of friends in misery. But, ironically, whenever he happens to travel into some strange country, he starts to come back to his senses, to laugh, to have fun, and generally to revive to the sense of security borne out of being a full-blooded Canadian citizen.

What has happened? Those who are now fifty years of age or over remember the times of the good, old, quiet, and peaceful Canada, made up of an all-powerful English Canada and a colourful, picturesque, sympathetic, and niggardly

Quebec, towards whom it was considered good politics to join in a boisterous rendition of "Alouette, gentille Alouette" or to jovially greet with a gentleman's handshake and a stiff upper-lipped "How do you do?"

At that time, the more far-sighted of our leaders, whether from the clergy, the army, the political, or the business world, were on good speaking terms with the national political and economic powers of the country, and reaping good profits out of that attitude. They were tolerated by the Establishment. The federalist French Canadian of 1977 has the feeling that he has become a Wandering Quebecker on his own soil. He hurts from the deep tensions which are tearing Quebec apart, yet he understands them. As for the English-speaking Canadian of today, he feels threatened he will be set adrift in his own domain, which was so peaceful yesterday. He does not seem to be able to really understand the causes of the deep French Canadian frustrations.

Years back, whenever national unity was showing signs of weakening, some European war was started that required our help and compelled us to join forces and blood for the sake of the Universal Liberty and Common Good. Couldn't we do the same for Canadian Liberty and Common Good? Stretching our thoughts further, couldn't we say that Canadian Unity has mainly been maintained by the European wars, whereas the peaceful years have permitted our rifts to fester? We have found it easier to fight foreign wars

in the name of liberty and universal democracy than to assume the responsibilities of a long and just peacetime at home. It is true, though, that the times of war do not encourage the mind to search for a renewal of the political institutions and that, on the contrary, the times of peace do foster such a search.

It is a strange paradox. Armed wars in the world and in Europe have helped us to stay together; today this unity is being threatened by these same countries' ideological conflicts, social unrest, socialism in its many faces, upsurges of self-determination, political terrorism, counter-culture explosions, all these are phenomena that we are currently experiencing. Yet, at the bottom of our hearts, we have the nagging thought that none of these are either heterogeneous or even essential.

If indeed we are colonised, we are colonised, through the elites, by the sophisticated notions of countries which are showing their age and the age of their institutions, whereas here, we are still a federated group of young ethnic groups grappling with a yet-untamed nature, scarcely dented natural resources, and a fantastic future opening for us.

We are trying to design our own identity through other people's problems, instead of striving to create one based on the knowledge of our own differences.

In Quebec, a number of people believe that instead of fighting tooth and nail for a collective self-determination through the bypass of independence for the sake of a culture which, nevertheless, has had the opportunity to flourish inside the structure of the Canadian federation, that instead of crying for a status of separation which altogether appears impossible to implement in practice, quite a lot of people, I repeat, believe that what is more urgent for us and for all the rest of Canada is first of all to put our cards on the table and work out a new definition of what we are, one and all, in order to fulfill our role as adults in the true challenge that faces us first on the Canadian scene, then on the World scene: proving that people from different ethnic backgrounds can live together in mutual respect and liberty.

In his foreword on the Burgos trial, where a group of Basque terrorists, commandos of the Basque separatist movement against Spain, were being tried, the French writer

Jean-Paul Sartre says that the real blast of the Hiroshima atomic bomb was that of the centralist states, with the ensuing revival of a multiplicity of minute states originally defined first by their racial and cultural distinctions, and whose first right would be that of self-determination. A fascinating intellectual perception. But a perception that does not stand to reason, for it does not take into account a natural instinct for survival which does not solely feed on culture, but relates foremost to economic survival, and survival for its own sake. It is, after all, the history of the world. In times past, the little ethnic kingdoms merged into powerful nations, each one of them willing to relinquish a part of their absolute tribal powers in favor of an unavoidable centrifugal force. The tribal monarchs of these times found rapidly enough that whatever little fringes of personal power they had relinquished were by far compensated by the common front of defense of the group and the common benefits of stronger commercial ties.

Jean-Paul Sartre, in this foreword endeavors to justify the existence of the Basque separatist movement and, stretching General de Gaulle's line of reasoning, goes as far as to wish that France itself would explode into as many little nations as there are ethnic definitions: Brittany, Occitany, Basque....

He goes even further. In order to prove the world-wide acceptance of this notion, he uses the separatist movement of Quebec as an example. It may be that such an example would appear believable on this side of the Pyrénées; but not beyond. And we are beyond. To a certain group of intellectuals, anarchy is a tempting mistress, but collectivities, in general, are best reassured by the notions of order and stability.

I have referred to this important work by Jean-Paul Sartre in order to stress that in trying to justify a very particular situation on this continent of our own, there is a danger in making use of examples which are born of an entirely different context. Too many of our intellectual idols of the present time fall into this trap. They feed and drool on the Cuban revolution, on the Algerian independence. They compare these situations with the situation in Quebec. They universalize generous social reforms which threaten to disrupt the delicate balance of our present economy. In order to promote social-democracy in Quebec or in Canada, we use Sweden, Germany, England and Austria as examples. All those high-risk transplants come at a high price, and none of them is going to make our secondary industries sprout by spontaneous growth as so many mushrooms in the beautiful garden of the just society.

The true picture is different: it shows Canada and consequently Quebec tied together by this Confederation Pact, moving inexorably along the path of the North American economic system; and any ideological or economical trip must take this inevitable fact into account.

And then, in spite of this fundamental reality, Quebec has elected a political party whose basic objective is to tear Quebec from Confederation and create its own sovereign social-democratic nation.

Panic grips Canada. Only yesterday we were dilettantes busy crocheting the national eiderdown. Four months later, panic strikes, and all those who believe in Canada bury their personal hatchets and rejoin forces in order to save the country. The national political parties are buzzing, for the election of the Parti Québécois - an election which appears to be beneficial for Canada - has suddenly and unexpectedly launched them into an unknown stratosphere. For too long we had been skip-hopping. Suddenly we are forced into perspective, and compelled to reassess, deeply and sincerely, our own country.

Since this moment, Canada has been living uncertain, anguished times. The only real bit of good news that has happened to the federalists since November 15, has been the incredible rise in popularity in Quebec of the Prime Minister of Canada,

following his speech in Washington. It is not by the cold rhetoric of his speech that Mr. Trudeau has seduced Americans, Quebecers, and Canadians alike, but it is by his heartfelt appeal to the generous, abstract values of mankind, the higher of these being liberty and tolerance, values without which any political society is in danger of running into social disorder and crypto-facism.

The enthusiastic, positive reaction of the French Canadians to this appeal for higher values shows in which way lies the solution to our national unity problem, provided all Canadians agree to play the game.

The question now is not "What does Quebec want?" It is "How does Quebec feel?" Why is it that when confronted with the most powerful reasonings of federalist proponents, the Péquistes become impatient, lose all reason, and accuse the federalists of being too rational?

After a few months in power, being now responsible for the complex and daily chore of managing Québec, the Péquistes sometimes give the impression that they are chained to the iron ball of their uncompromising separatist ideal, an ideal which appears more and more difficult to define, for their strategy is being held in check by the acute economic problems which confront them. But it would be a great mistake on the part of Mr. Levesque's political

opponents to try to foolishly exploit such an apparent confusion and to consider the Péquistes as loud-mouthed sorcerer's apprentices or dream dealers. The heart of Quebecers has reasons in which reason has no part.

Let's come back to the basic question: has the federalist system ever prevented a determined French Canadian from fulfilling his aspirations in his own language and becoming a respected citizen? Generally, no, but he had to try harder than any Anglophone at home. And have his liberties been restrained by the federal system? Generally, no, but his pride, yes.

One has only to live in Montreal to find out how some of the city's older citizens entertain in their hearts the frustration of having been forced to speak English in the main stores and of having been considered as second-rate citizens by the Anglo-Saxon establishment, the frustration of realizing that in their own province only the lower levels of jobs were offered to them by the big enterprises where they were forced, and still are too often forced, to speak English.

The French Canadians know they have built this country together with the Loyalists. They had expected fair-play and respect from their partners in Confederation. This was denied them. In the big business world of the

nation, where the top level posts are reserved for managers chosen by the shareholders, French Canadians have been ignored, and nobody thought of correcting this injustice by grooming a French Canadian breed of successors. In federal politics, elected French Canadians who tend to become too influential often find themselves becoming the target of subtle plots generated by the Anglo-Saxon establishment in order to destroy them. Let's be frank: for too long, French Canadians, the co-founders of this country, have been treated as guests who are permitted to enter only by the back door. Nevertheless, even for those who are Péquistes, if 1812 was to repeat itself, they would still fight today against the Americans.

The French language in this country was tolerated; it was never loved. It must be said, though, that recently there has been an improvement in this situation. The 20-year old children of today have less reason than their fathers to feel frustrated for the sole reason that they have been born French. . .unless political pundits convince them of the contrary.

Furthermore, French Canadians have always carried with them the nostalgic notion and the sense of solitude of a little nation lost in the midst of the North-American

Anglo-Saxon sea, a sea in which they have decided that they will remain French. However, should past frustrations of a proud people, their cultural nostalgia, their determination to stay French, be made the basic platform of a political party whose objective is independence, possibly short term, but fatally destructive, both culturally and economically, in a very near future? Even before the fact, the disastrous consequences of such a move are determined. Would French Canadians actually risk such a suicidal adventure?

This refers to what I have said earlier about Jean-Paul Sartre. It is a known fact that revolutions have been bred and fed by the bourgeoisie. Mussolini had thus formulated his strategy to bring his party into power: "All I have to do is to breed a feeling of ultra-nationalism among the bourgeois classes, and give them an army, and that's it. The people will follow." The Parti Québécois is mainly composed of a well-to-do middle class, ultra-nationalists, civil servants, university people, teachers, and the media, led by a hard-core group of intellectuals bitten by the bug of such European ideological fantasies as self-determination, independence, Marxism, and socialism, all indiscriminately feeding upon a frustratingly obsolescent spirit of vengeance. Luckily, drawing together and equalizing these forces, René Lévesque, a sincere democrat, reassures the Quebec federalists, who secretly respect him, for he expresses their own frustrations of being

Quebeckers wandering between reason and emotion.

The Parti Québécois does not yet have solid roots in the working class (i.e. the majority). The non-partisan citizen who voted for the PQ first of all voted to elect an honest government, because he had been led to believe that the former one was not so. Those who had misgivings about the idea of separation were smothered under the promise of a referendum. Only four months after having come to power, the Péquiste government talks of the independence of Quebec as if it was already achieved. For how long will the masses let themselves be conditioned by this strategy? For as long, in any case, as the panic-stricken federalist opponents will fall into this trap and, all senses lost, keep campaigning for a revamping of the Constitution, as if all the members of the family had to undergo an operation because one of the children has developed appendicitis.

What is much more urgent is that the Anglophone section of Canada deeply modify its attitudes towards Québec. Quebeckers are not without faults, and they do not accuse the Anglophones of being responsible for all their ills. But they do not want to have to fight, day after day, for the measure of respect and justice which should naturally have been their own since the first moment this country was founded. Although

they do not wish to be considered a little French branch of Canada, they do not claim that all Canadians should speak French. It is to be deplored, though, that by refusing to learn French, Anglophones deprive themselves of a great privilege. There is no use trying to quiet Quebeckers anymore through some vast marketing campaign or some brainwashing operation to convince them to remain with the fold. Quebeckers are a nation whose culture is bubbling over into all the paths of the arts and of knowledge. In fact, they themselves have to choose whether they wish to re-enter Confederation. For, in their minds, many of them have already left Confederation. Trust them. They know on which side their bread is buttered; but they are not going to settle for any kind of butter, nor accept having it served in any fashion. If, falling short of obtaining the just equality of treatment Canada owes them, the people choose the route of independence, and this route plunges them into economic disaster and internal disorder, there is no need to rejoice, for this, the second defeat of the Plains of Abraham, could end in a tragedy. You must remember that on the night of November 15, 1977, a great many people in Quebec had tears of joy in their eyes, without knowing exactly why. If Canada is suffering from the Quebec strain, it contracted it because the whole Canadian body was in a state of vulnerability.

You are meeting here to determine the causes of this sickness and to propose an appropriate cure. I suppose that you will start by eliminating from your discussions the untrue problems and solutions spread by officials who are, at the moment, holding forth on all fronts. Intellectual and political speculation have become Canada's most active and prosperous industry, and it has become less and less necessary to be elected to enjoy the full use of it.

The real urgency is to give Canada, this abstract country, a high collective national passion, a set of accessible goals towards which, over and above language, racial or religious prejudices, our young people could strive, whether they are from Vancouver, or Toronto, or Québec, or Saint John. Considering that the Parti Québécois has succeeded in generating such an impressive passion in Quebec behind a dead-end idea, would it not be possible for the Canadian people to generate such a passion for something feasible which would be an inspiration for future generations? In order to achieve this, a reevaluation of the whole concept of the minorities would first of all be required, for at the present time the respect for Quebec rights is as sensitive as the respect given to the smallest minority in Canada. It should not be forgotten that Quebec and all the different minorities in Canada add up to a larger population than the

Anglo-Saxon descendants of the Loyalists and, in number, the latter are not more important than French Canadians. And for whom are the Ukrainians, the Italians, the Indians a minority?

All the same, in the course of this meeting, some scrutiny should be given to the social programs, keeping in mind that in the North American context the extent of social justice is related to the strength of capitalism. In this new Code of Ethics for Canadians, which is going to be written, a new definition of the Common Good would have to be included; for the more closely Canada is united, the more the instruments of power capable of resolving the more serious problems arising in any of the different parts of the country will have to be centralized in Ottawa. And then, in what fields should decentralization be put into effect?

What a challenge such a program would be for all Canadians! Rest assured that if they feel they are equal partners in this crusade, the Quebec people will accept it with pride and fortitude. The time has come to demonstrate that this Canadian mosaic, this abstract country, does not wish to be held together by the bonds of petty individual selfishness, but by the generous ideals of a colourful,

highly diversified, highly civilized population. It is this kind of example that the world requires. And, who knows, this crusade, if launched in a true spirit, might see the Prime Minister of Canada receiving the help of the premiers of Quebec and of Alberta.

In his last book L'homme précaire, André Malraux entertains the pessimistic thought of the masses being robotized through alphabetization, and progressively drifting away from worthy literature, mainly from the influence of the audio-visual communications. We, also, are threatened with becoming robotized inside our political world, and hence the sense of uncertainty which today grips all of us Canadians. We haven't started to live, yet we already feel old. In times of crisis, individuals and governments alike have the same and only solution: to hold on to the essential values of humanity, of order and of balance. Let us try, then, so that the combined efforts of honest people striving in this direction result in the awakening of this natural human feeling called hope, hope that should be such a normal way of life in this young, rich and great country of ours.

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THE ECONOMICS OF ASSOCIATION

Remarks by Robert M. MacIntosh
Executive Vice-President, The Bank of Nova Scotia
to The Financial Analysts Federation
Montreal, May 3, 1977

In talking about the problems of federal-provincial relations at this time, and in this place, one or two obvious constraints present themselves.

First, the whole range of problems which are inherent in the federal system are by no means confined in Canada to Quebec/Ottawa relations. There is no use attempting to explore the full generality of our situation in 30 minutes, and therefore these remarks are confined to the specific question of Quebec vis-a-vis Confederation. Some of the English speaking provinces, mainly the four Western ones, have deep-seated and long-standing grievances against the federal government, which they perceive as a vehicle for the exercise of biased majority rule by the central provinces. But their acknowledged problems, however real, are in no way comparable to the threat of Quebec's separation. Nor in my opinion is there any significant body of Western opinion in support of Western separation, despite the loose and superficial views of extremists who lean in that direction.

The second constraint in dealing with this issue is to convey to a partly American audience even a rough analysis of a very complex subject. To explain the social and political forces at work in this country in a short paper is much like offering in equal space an explanation of how the United States came to choose Jimmy Carter as their President. Moreover, there is always the possibility of being misunderstood

or misinterpreted, not just by a partly foreign audience but also through partial quotations or oversimplifications by the Canadian media.

I am sure my good friend Jacques Parizeau, who was to have also been on this program, is fully aware that the issue of Quebec separation is very complex, and that it cannot be solved by slogans. At one time there was even hope of him becoming a banker instead of a politician. He took a wrong turn in the road, but even so his earlier training is recognizable in the relatively prudent Budget he produced last month as Minister of Finance of the new Government of the Province of Quebec. He was accused by the press of producing a bankers' budget. I suppose this means a budget in which an attempt is made to keep expenses within income. In ordinary family budgets, this is not a unique phenomenon, and one would not find it necessary to classify such behaviour as bankerish. But when we depart from the world of ordinary experience into the realm of governmental budgets, a very large number of people still believe that there is some magic which makes it different from a family budget, and that a balanced budget is in some sense restrictive, a symptom of up-tight behaviour and abnormal. In other words, bankerish.

Mr. Parizeau has correctly perceived that the first requirement of the separatist government of Quebec is to establish its bonafides in financial markets, without which it will not be able to pursue its social and cultural objectives. It is not my purpose today to explore these objectives,, which can be much better dealt with by Claude Ryan. In point of fact, I am entirely sympathetic with the desire of French Canadians to preserve and strengthen their language and culture. Having been born into membership in the English speaking minority of Quebec, I have to acknowledge that our minority group contributed to the problems of today,

through unwillingness to recognize and accept the culture of the majority, even to the extent of learning its language. And since actions speak louder than words, may I say that my own institution, The Bank of Nova Scotia, which is very largely an English speaking institution, recognized the reality of the situation about 10 years ago. We took positive steps to establish a French-speaking Canadian management in Quebec, a fact which I am sure the Government of Quebec would readily acknowledge. Perhaps we recognize, better than some anglophone Canadian corporations, the significance of the following quotation, which may be found over the doorway of a building in Quebec City:

" I am the dog who gnaws his bone
In gnawing it I lie alone
The time will come which is not yet
When I'll bite him by whom I'm bit. "

Having said all this, I want to turn now to the main purpose of these remarks, which is to deal with the idea of an economic union or association between a separate Quebec and the rest of Canada. Public opinion polls have shown that a large percentage of the people of Quebec, perhaps about a third, would favour separation provided there could be an economic association with Canada. Since this seems to be a line of thought which the Quebec government is actively supporting, it is fundamental to understand what the issues would be in negotiating an economic union. Some of the statements which have been made in this context are unrealistic.

The first issue to clear up is whether or not economic issues are important at all. Certainly there is a substantial number of francophone people in Quebec who would say that no economic price is too high, and that the issue of self-determination and independence is an issue of the heart and not of the pocketbook. If this is indeed so, then there is nothing

which anglophone Canadians can do to preserve Confederation. But the polls would seem to suggest that the view for independence at all cost is not by any means a majority view. The statements of government officials on the importance of economic union would also suggest that economic issues are not in fact irrelevant to the question of the separatist referendum.

If this interpretation of the situation is correct, as I am quite sure it is, then we might usefully look at some of the basic issues of economic union. The first one is that there have to be reciprocal benefits for both parties. There cannot be a mutually satisfactory agreement about an economic question unless both partners benefit to some extent as well as sacrifice to some extent.

If economic union means anything, it means the free movement of goods and people. Perhaps the one thing which has made the economy of the United States so efficient has been the existence of an economic union between the states. There are no tariff barriers and relatively few impediments to the transfer of goods or labour across state boundaries, with the result that industrial agricultural development takes place in the most economic locations, for the mutual benefit of everyone. In Canada, we already have a fair number of non-tariff barriers to trade between the provinces. There are barriers to the free movement of agricultural commodities, there are purchasing policies by the provincial governments which favour local production, there are a multitude of licencing restrictions which prevent doctors and lawyers and auto mechanics and nurses and teachers from moving from province to province.

In addition to the many provincial impediments which have been introduced already into this economic union, the Quebec Government has

proposed to extend the "buy-Quebec" policy. What this means is that goods and services will be bought in Quebec when they could be obtained cheaper elsewhere in Canada. This is a form of protectionism practised by many provinces and, incidentally, one which would not be admissible in its present form if Quebec were separate but continued as a signatory to the General Agreement on Tariffs and Trade. We must of course assume that Quebec would subscribe to the international agreements to which Canada is already a party.

Under present federal fiscal arrangements, there are two kinds of payments from the federal government to the provinces, as well as the agreements with most provinces to simplify and standardize the levying of income tax by the two levels of government. One form of payment is under shared-cost programs, where the federal share could be said to originate from the provincial tax base. But the other part of the revenues paid by Ottawa to Quebec are equalization payments. These are designed to provide each province with a level of revenues per capita sufficient to bring each province up to the national average of tax revenues. In this fiscal year Quebec will receive a net benefit of \$1,250 millions under the equalization agreement. This benefit is now paid to Quebec in our economic union on the principle that equal services should be available to citizens throughout the country and should not be dependent on the accident of birth in a poor as opposed to rich province. This is more than half of the total equalization payments which will be made by Ottawa this year, and amounts to \$200 per capita.

Now the question is: What fiscal arrangements would prevail if Quebec were separate? Under those conditions, what would motivate the rest of the country to continue the equalization arrangements?

One of the most important considerations in an economic union would be a common tariff, as well as an absence of interprovincial tariffs. At the present time, one of the largest employers of labour in Quebec is the textile industry, and its survival is currently in some jeopardy because of external competition. In fact Canada has imposed quotas on imports in order to protect jobs in this industry.

Now the question is: In an economic union, but with political separation, what motive would the rest of Canada have to protect Quebec manufacturing industry from external competition? Why would Canada be prepared to trade off cheap foreign manufactured goods which benefit the consumer unless it were to get something in return? Clearly Ontario, the West and the Atlantic Provinces would want something, which might be electric power, or primary resources, or chemicals, or something. But it would certainly be something.

Officials in Quebec have spoken of monetary union as a fundamental part of economic union. But we have also heard references to a separate central bank. Now the point is: If there is monetary union, then there is one currency, one monetary policy and no internal foreign exchange controls of any kind. It is not conceivable to have one currency without having the free movement of capital. There cannot be two levels of interest rates or two levels of credit conditions within a monetary union because

money flows freely and instantly. If it were cheaper to borrow in Quebec than in Ontario, then people would borrow in Quebec. But whether they would spend it in Quebec is another thing, since there would be nothing to prevent them transporting it elsewhere. And of course the reverse applies. So the idea of having a separate monetary policy is completely unfeasible. There is no room for opinion or theory on this point - it is a simple statement of fact. I hope that there is no room for misunderstanding on this point. A completely autonomous economic policy means a separate currency and a separate central bank and a separate policy on tariffs and trade. And of course this implies that the exchange rate could not be held at a fixed level.

Having tried to show some of the impediments to an economic association between two sovereign states, perhaps we might look more closely at some of the positive advantages of our present Confederation. The basic economic principle behind the Canadian Confederation is that the whole is greater than the sum of its parts. This has a number of practical applications:

- (1) The various regions are mutually reinforcing. Just as the flywheel of an engine stabilizes the acceleration and deceleration of its moving parts, so does the shared economic responsibility which each region in Canada has for the other (and which is enshrined in the multitude of fiscal and other arrangements built up through the years) help to stabilize the ups and downs which each region would otherwise be subject to. If the economic structure of our regions were more balanced than they are, this sharing might be less important. But as it is, with British Columbia's industries so heavily dependent upon the forest products market of the United

States, with the Alberta economy dominated by developments in the world energy markets, with the Saskatchewan and Manitoba economies influenced in an over-riding way by conditions in the world wheat market, with Ontario's income growth heavily dependent upon durables manufacturing and services, with Quebec's manufacturing industry so heavily dominated by labour intensive, semi-durable industries and comparatively small establishments, and with the Atlantic Provinces so heavily influenced by conditions for primary products in world markets, we have had to develop mechanisms to ensure that the temporary strengths of one or more of our regions can be used to help offset the temporary, but usually unavoidable, weakness of the others.

A further corollary of this mutual economic reinforcement principle is that as a unified nation, Canada has much greater bargaining strength in major international negotiations than could possibly be true of any one of the provinces alone.

- (2) A second practical application of this principle; that in Confederation the whole is greater than the sum of its parts, is that the substantial protected market represented by Confederation has played an important role in the ability of a number of our industries to attain the minimum efficient size to compete effectively on world markets. Among these I would include elements of our aluminum smelting and refining industry, parts of the steel industry, nickel smelting and refining, the newer petrochemical plants, most of the copper refining industry, some elements of the pulp and paper industry, and most oil refining. Needless to say, the international competitiveness

of the world scale establishments in these industries changes a good deal from time to time and they each require continuing investment to maintain their position. The important point is that such plants are not spread evenly across the country; for example, apart from aluminum, Ontario has world-scale facilities in each of the industries I have mentioned, British Columbia has such facilities in aluminum and much of its forest products industry, while Quebec has been able to develop world-scale establishments in aluminum, copper and oil refining and petrochemicals. A further important point is that in the case of most of the industries I have just noted, the development of their world-scale plants has rested upon access to the international markets, and an openness by Canadians towards foreign capital investment and technology. One has to question whether this internationally-induced momentum would have developed if Canada had simply been a loose association of equal states.

- (3) A third practical application of this basic economic principle of Confederation is the synergism which is achieved by working together towards common economic goals. Surely no one can seriously deny that economic development in Ontario, Alberta or Quebec has had beneficial effects in other parts of the country. These synergistic effects cannot easily be measured, in part because many of them take the form of inter-provincial exchanges of technology. How, for example, can one measure the influence on the rest of Canada of the top-notch hydro-electric generation expertise in Hydro-Quebec or the innovations in computer applications by Quebec's *caisse populaires*?

Obviously, and this is the important point, the extent to which one or more regions benefit from the various transfers under our system varies from time to time. The very flexibility which is enshrined in the federal system means that the resulting transfers are themselves dynamic and fluid, and they certainly do not lend themselves to a sterile, static dollars and cents analysis.

In recent months we have seen a considerable intensification in the scrutiny which some analysts in the Province of Quebec are giving to federal policies. In addition to the federal-provincial fiscal arrangements to which I have just alluded, charges have been made that Canada's energy and agricultural policies, the Auto Pact with the United States and the development of the St. Lawrence Seaway, have all been injurious to the Province of Quebec.

ENERGY POLICIES

Back in 1961 Ottawa established a National Oil Policy (or Borden Line) which was designed to expand the market for Alberta oil by ensuring the use of domestic crude in all areas West of the Ottawa Valley. The result of this policy was that Montreal refineries were able to buy oil on world markets at \$1 to \$1.50 per barrel cheaper than Ontario refineries.

A side effect was a more rapid expansion of the refinery capacity in Ontario than would probably have been the case had Montreal plants been allowed to supply products to Ontario. However, this side effect can be exaggerated. Although Quebec acquired only one new refinery (the same as Ontario) during the period, Quebec's refinery capacity increased from 297,000 barrels per day in 1961 to 644,000 barrels per day by the beginning of 1976, an increase slightly greater than the refinery capacity increase in Ontario

during the same period.

Moreover, Quebec consumers had the advantage of cheaper product prices. And these cheaper prices for products and crude meant that the Montreal petrochemical industry had an advantage over Ontario competition. Contrary to what some commentators have said, the National Oil Policy made the growth of the petrochemical industry in Sarnia more difficult. Indeed, from 1961 to 1975 the petrochemical industry in Montreal experienced substantial growth.

When all is said and done, it appears that the big winner out of the National Oil Policy was Alberta, not Ontario. But now that imported oil prices are substantially higher than the price of domestic oil, Quebec refineries receive a subsidy so that their crude costs the same as domestic crude in Toronto. Moreover, Quebec consumers also get federally subsidized supply protection through the Sarnia to Montreal pipeline, so the tables are turned; now it is Alberta helping the rest of us. It seems to me that this is a very potent illustration of the extent to which the costs and benefits of Confederation shift from one region to another from time to time.

Before leaving the subject of energy policies, I want to comment on the criticism of some observers that Ontario has been the major beneficiary of Canada's CANDU nuclear programme. The reason more federal monies have been spent on nuclear projects in Ontario than in the other provinces is that Ontario was the first to exhaust the development of all its economical hydro-electric sites and had to look to alternative sources of power. In other words, Ontario was the first, not the sole, beneficiary of CANDU's nuclear programme.

CANDU technology is now more than freely available to any provincial utility and other provinces are currently benefiting from the programme.

The federal government, through Atomic Energy of Canada Limited, constructed a 250,000 kw. reactor at Gentilly, Quebec and has provided loans to Hydro-Quebec for up to 50% of the construction cost of a 600,000 kw. reactor at the same location. In addition, the federal government is financing the construction of a 720 metric-tons-per-year heavy water plant near Gentilly which, upon proof of satisfactory operation, will be available for purchase by Hydro-Quebec. And, as Quebec and British Columbia, two of the largest provinces with heavy reliance upon hydro-electric power, develop the few remaining hydro sites, their use of the CANDU programme will increase very considerably.

AGRICULTURAL POLICIES

Some commentators also argue that Canada's agricultural policies discriminate against Quebec. There is ample evidence to indicate that such a wholesale condemnation is ill-founded.

For example, the two-price wheat subsidy in effect since 1974, under which the domestic price for wheat is fixed until 1980 at \$3.25 per bushel, has been a subsidy to consumers across the country.

Secondly, since the Second World War, the transportation of feedgrains to Eastern Canada has been subsidized to help the eastern livestock industry. Western producers argue that by far the major portion of Canada's livestock feeding, marketing and slaughtering of cattle, is firmly entrenched in Eastern Canada and these federal feedgrain policies discriminate against Western cattle producers. They maintain that without these feed transportation subsidies it would be cheaper to ship meat from the West than the grain which is needed to produce it.

Some Quebec spokesmen have also argued that food costs in their province are higher as a result of federal agricultural policies. They don't say what they're higher than. But according to the Anti-Inflation Board, the average weekly cost of a nutritious diet for four persons is currently less in Quebec City than in any other major urban area in Canada. The same figures show that Montreal has the third lowest food cost in the country.

AUTO PACT

Recently some Quebec analysts have focussed their concern on the U.S.-Canada Auto Pact, alleging that it has unfairly discriminated against Quebec and that Ontario has been the biggest beneficiary from the Agreement. However, there is some question about just how much more Ontario has benefited from the Auto Pact than Quebec. Motor vehicle manufacturing was the most important single manufacturing industry in Ontario even before the Auto Pact and, while its share of Ontario's total manufacturing shipments has clearly increased, the latter is also true in Quebec. Before the Auto Pact, Quebec had no automobile industry whatsoever; it now has a General Motors plant in Ste. Therese which employs 3,300 people and for which the principal market by far is the United States, two large tire plants and several other auto parts facilities.

SEAWAY

Quebec commentators have also levied some recent criticism at the St. Lawrence Seaway. But the fact is that the upward bound movement of iron ore from Sept Iles to steel mills on the Great Lakes is economic in large part because the same vessels that move the ore through the Seaway

take wheat from the Lakehead on their return journey towards Montreal and Sept Iles.

In short, the many economic links of Quebec to the other provinces within Confederation already add up to a practical economic association.

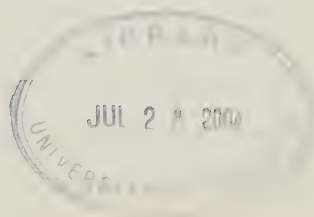
There have been suggestions that Quebec might seek to negotiate bilateral trading arrangements with the United States, even to the extent of a free trade area. While this might conceivably be accomplished, it seems necessary to repeat that it takes two parties with a mutuality of interests to make trade treaties. Would Quebec hope to retain its textile manufacturing industry, and perhaps others, in a bilateral arrangement with the United States? What would motivate the United States to participate in such an agreement?

Possibly one of the most overriding considerations for the United States would be the question of hemispheric defence. There have been some indications, perhaps unjustified, that a separatist government would have no interest in supporting NATO or NORAD. A clear statement on this subject would be useful since it is obviously one of the points of major mutual interest between Washington and Ottawa. Quite apart from direct defence considerations, there are also some significant defence procurement questions to be considered.

And finally, there is the question of people. Separation or independence means control of immigration, one of the objectives most clearly sought by Quebec. Would it be possible for Quebec to obtain this power

without separation? I believe this is one of the key issues on which the rest of Canada might compromise with Quebec. Modern control of immigration does not rest at the border but at the level of the social security card, the income tax form, or the medical form. Hence it would be possible to establish a special status for Quebec which would give it direct control over immigration. While this is distasteful to me and most anglophone Canadians, I believe it is a possible concession to meet the aspirations of the people of Quebec to control their own destiny.

While no person not holding effective office can pretend to speak for the people, I believe it is the deeply felt desire of the vast majority of anglophone Canadians that Quebec remain in Confederation. This is not just a question of economics, it is a question of our history and our social institutions and our culture which we have shared together in reasonable good will and with a common history still ahead of us. As in a marriage, for better or for worse, anglophone Canadians believe in our common heritage and in the unity of our diversity. We say to French Canada: Do not go; do not push us away. And we also say, that while economics may not be at the heart of the matter, do not be misled into thinking that separation and economic union can go together. They cannot. Separation means autonomy; autonomy means independent goals; independent means arm's length negotiations. I dearly hope it will not come to that.



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IN DEFENCE OF FEDERALISM A View from Quebec

Gilles Lalonde

Translated by Jo LaPierre

McCLELLAND AND STEWART

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PART THREE

Why Federalism?

Remarkably enough, most outside observers are quick to recognize the advantages of federalism to French Canada. The leading authorities on the subject are practically unanimous on this point. Kenneth C. Wheare, author of the well-known work entitled *Federal Government*, even sees federalism as the supreme guarantee of French-Canadian nationality.¹¹ One of the current authors most widely read in the United States, Professor W.H. Riker, considers that the existence of the French-Canadian minority provides the necessary justification for maintaining the federal system in Canada.¹² Among those who are not specialists in the field there is equal agreement in this matter, although their views may not be so well-known. An Indian journalist, a German professor, a Swiss civil servant, an Algerian statesman: there are few indeed who do not agree that the federal system can only benefit the French Canadians.

It is equally remarkable that the positive approach of these outside observers is generally matched by the views of numerous discerning Canadians, particularly those from French Canada.¹³ What is even more amazing is that it also coincides with the opinion of the immense majority of people living in Quebec, who are "still persuaded that federalism, provided the various governments

enter into the spirit and practice of it honestly and fairly, remains today the political system best suited and adaptable to Canadian realities.'"¹⁴ Let us ask ourselves, nevertheless, whether all this is merely a coincidence in time, or at most a curious effect of the law of chance – or whether, on the contrary, it is a normal and sensible reaction? To raise this final point, even as a hypothesis, is to try to get to the heart of the matter. It also suggests that this study could not be concluded without asking the basic question: why federalism?

A Logical Answer

In the first place, federalism seems to be the logical response to the minority position of the French Canadians in North America. Because they are too few and too unevenly distributed geographically across the whole territory of Canada, and because as a group they are too isolated and weak in the context of North American technological society, federalism is the only system of government capable of preserving the French fact in Canada. Deprived of its Canadian dimension, the francophone population concentrated in Quebec would soon be subjected, in all likelihood, to irresistible linguistic and cultural pressures.

Contemporary history bears witness to the extreme usefulness of federalism to any important minority, to any nation in the sociological sense, to any people that desires to preserve its own identity. As we established in the first part of this study, the federal system respects and protects any minority with a sufficiently large territorial base. It constitutionally assures to such a minority the power of keeping its identity by entrusting it with responsibility for subjects that bear directly on its individuality. This clearly has always been essentially true of the French-Canadian group since Confederation came about. Another result of federalism is that Quebec, as a distinct political entity, can develop its special character within the Canadian federation, to the full extent to which its leading classes are capable of correctly judging Quebec's capacity and its room to manoeuvre at the socio-economic level.

A Fact of History

Federalism is also a fact of Canadian history. It is at once the outcome and the starting-point of the long journey of French Cana-

dians in North America. There is no question that the federal form of government represented in 1867 the culmination of the efforts of generations of French Canadians to obtain assurance of their cultural survival. No doubt the federal system also constituted at that time the beginning of an experiment which was to enable French Canadians to be active in the Canadian political system at the two levels of government where they were effectively represented: the federal and the provincial. Nowadays, on the other hand, the federal form of government represents the culmination of over a hundred years of government action and interaction, which have established the individuality of Quebec and the progress of French Canada on several fronts. Moreover, it is also the point of departure for the renewal, perpetual adaptation, and perfecting of a proven system of government which must continue to allow Quebec to be itself while assuring it the advantages of membership in a body which can survive in the modern world.

Perhaps there are some who prefer to continue to support the various "options" available in principle to Quebec, particularly independence (or secession), "sovereignty-association" (or secession followed by reassociation with the rest of Canada), and all the numerous variations on these alternatives. But no stroke of a pen can change the historical situation that has transformed Canadian federalism into an integrated political system, whose greatest merit, beyond the merit of actually existing, is its ability to adapt whenever and wherever necessary.

A Dynamic Technique

Federalism also seems to be a method, a means, in fact a technique, of government which generates its own energy. One cannot emphasize enough that federalism as a form of government goes far beyond the mere parcelling out of powers. Its dual system of government, as I have already noted, is doubtless complicated. It sets up two levels of government and institutionalizes two or more sovereignties. It proliferates decision-making centres within one political entity. On the other hand, it imposes cohesion and solidarity on the member-states of the federation. It encourages interdependence. It leads inevitably to negotiated co-ordination between two levels of government.

Because the federal system creates two loyalties, one at the

regional and the other at the federal level, citizens are accustomed to take an interest in both governments, to compare their political philosophies, the quality of their service, and their methods of action. Federalism gives the citizen some assurance that everything cannot go wrong – at least not all the time or all at once – at both levels of government. In a federation like Canada numerous comparisons are possible in both directions, either between federal and provincial governments or between the various provincial governments. Thus federalism provides a constant source of governmental rivalry and stimulus. As in any liberal democratic country, the federal system in Canada by definition has nothing to do with the *status quo*; it always stands for a dynamic balance between powers, between the decision-making centres, between the governments of the member-states – the provinces – and the government of the central state.

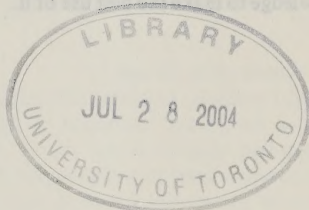
An Instrument of the Future

In the final analysis, federalism emerges as the instrument *par excellence* of the future, by reason of its extraordinary flexibility. Past Canadian experience has shown that the Canadian federal system can adapt itself as well to major shifts of power between the two levels of government as to tactical accommodations and adjustments between the main centres of power, or governments. When circumstances favour regional or provincial sovereignty, federalism allows as much decentralization as necessary, within the limits required for the maintenance of national unity. Inversely, in more difficult times of economic crisis or major wars, it can bear whatever amount of centralization is needed. As I wrote earlier, all federal systems lend themselves by definition to the application of the principle of self-determination by both levels of government, each within its proper field of jurisdiction. Should the domestic situation make it necessary, in a country like Canada the system would even tolerate the transformation of the present federation into a true confederation, a much looser kind of association of states, although the previous experiences of the United States, Switzerland, and Germany have shown that confederations generally evolve towards federal systems when they do not result in the total and definitive separation of the confederated units.

It has been said with reason that federalism is the system that

permits the closest possible approximation to reality. In Canada, it seems obvious that the federal form of government is most suited to express our bilingual reality and our ethnic plurality. In addition, of all the formulas that in principle are available to Canadians, it is unquestionably the best adapted to the conditions of a technological civilization such as exists in North America, for which there can no longer be a "universal solution," according to Georges Burdeau.¹³ In any case, it would be misleading to evaluate the present state of federalism in Canada essentially in terms of the past. Quite to the contrary, federalism is for the future. It is today on the way to tomorrow. It is neither a state of being nor a fixed situation, but an instrument for the future. And as with any instrument, its full value can be realized only if we, Canadians, have the will and knowledge to make the best use of it.

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